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DAILY ₃ DIGEST

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Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 1

Section 1

October 1, 1926

THE SECRETARY'S MARKET PLAN HELD UP The press to-day reports: "Secretary of Agriculture Jardine's plan for cooperation between the Department of Agriculture and some 200 handlers of fresh fruit and vegetables, and an alleged 'partnership' agreement between the Government and the handlers, received a set-back yesterday in the Equity Division of the District of Columbia Supreme Court when Justice Jennings Bailey overruled the Government's motion to dismiss an amended bill for injunction. The bill was filed by the S. A. Gerrard Company and the firm of Leonard, Crossett & Riley, both of Cincinnati, Ohio, fruit growers who objected to the scheme of Mr. Jardine and demanded an injunction to prevent the plan from being put into effect. Representative L.G. Dickinson of Iowa, a corn-belt Republican, is one of counsel for the objecting growers....The proposed scheme contained an outline of the plan for cooperation between the Department of Agriculture and the growers and handlers, a standard of trading and a memorandum of agreement between the Secretary and the growers and handlers. The injunction bill will now be heard on its merits. In the meantime, the proposed scheme of cooperation will be at a standstill because the Court has acquired jurisdiction."

TEXANS TO BUY COTTON An Austin dispatch to the press to-day says: "Steps will be taken immediately looking to the purchase of 3,000,000 to 4,000,000 bales of Texas cotton by the people of this State, to be held for better prices. The Legislature yesterday adopted a 'buy a bale' resolution, which explained that the plan was to remove at least 5,000,000 bales from the market as soon as possible. 'The removal of 1,000,000 bales from the market, to be brought about by the movement inaugurated by the bankers of the State, will be beneficial but will not have sufficient effect on the cotton market immediately to influence the price of cotton,' the resolution says. The resolution calls on newspapers, municipal and civic organizations, banks and bankers, automobile dealers, manufacturers, merchants and business men, cotton brokers and dealers and the Commissioners of Agriculture of the United States and of the individual States to assist in the movement. The Legislatures of cotton-growing States are urged to take similar action and the Governor is called on to issue a proclamation....."

BURBANK FOUNDATION PLAN A Stanford University, Cal., dispatch to the press to-day says: "A Nation-wide movement to establish a \$1,000,000 Luther Burbank Foundation to carry on his work was started yesterday. Stanford University had planned to carry on his plant development at his request, with the funds available. The Chamber of Commerce of Sebastopol, where Mr. Burbank had his plant and laboratory, yesterday suggested that the entire country participate and President Ray Lyman Wilbur agreed."

MISSISSIPPI GINS CLOSING A Jackson, Miss., dispatch to-day says: "With Mississippi gins closing until better prices can be obtained for cotton and farmers rushing the picking that they may market their crop before prices drop further, Governor Whitfield yesterday called upon Governors of cotton-producing States to rally to the aid of the farmer...."

Section 2

Cotton
Meeting
Proposed

A Jackson, Miss., dispatch to the press of September 30 says: "Opinions of bankers, cotton associations and leading business men in the South on the advisability of calling a mass meeting in Memphis to consider some plan to withhold enough cotton from the market to insure a fair return for the farmers is being sought by the Mississippi State Board of Development. October 12 is suggested as the date and financial leaders are being asked to telegraph their replies to the board here. L.O. Crosby, president of the board, predicted to-day that cotton will go below pre-war levels, if the crop is gathered and placed on the market. He declared the fourteen cent cotton is a loss to the farmer and stated that 20c cotton would be the least figure that could be termed a fair return...."

Cotton
Problem

An editorial in The Washington Post for September 30 says: "The steady decline in the value of the cotton crop has brought great distress throughout the South, and a movement is on foot to devise a method for relieving the situation. Not since 1922, when the average price reached the low figure of 12 cents per pound has the staple sold as far below the cost of production as it is selling to-day, which is around 14 cents.... It is now proposed to bring about an agreement whereby there will be a radical change in the farming methods of the South based upon crop diversification and an ironclad promise on the part of planters to curtail the planting in 1927. A syndicate of bankers is reported to be willing to advance the necessary funds to enable the growers to hold off the sale of their crops under agreement to curtail the crop of next year. The base of this tentative plan is that these bankers will advance 75 per cent of the present market value of the holdings of the planter who will agree to plant no cotton whatever next year, with a smaller percentage of loans upon the holdings of others who will pledge themselves to reduce their acreage. In the meantime Texas bankers have offered to advance \$50 per bale on 1,000,000 bales of the crop of that State, with interest at 6 per cent. New York bankers offered to aid the loan, but the offer was declined. It is generally agreed that before the movement in aid of the growers can be brought to a head the planters will be required to enter into a binding agreement to curtail production. But this is easier said than done....."

Export Trade

America's export trade for the first half of 1926, amounting to \$2,207,000,000 exceeded that of any complete year before 1913, it is pointed out a statement based on an analysis of this country's world trade for the first half of the present year issued September 30 by the foreign commerce department of the Chamber of Commerce of the United States. This amount, the analysis shows, also surpassed the first six months' exports of the post war years of 1922, 1923 and 1924, though smaller by \$157,000,000 or 6.6%, than those of the first half of 1925. "Smaller exports of raw cotton, wheat, wheat flour and copper," the statement reports, "contributed largely to the decline from last year's figures. Although the exports of grains and other vegetable foodstuffs declined 34%, and textiles were off 27%, and inedible animal products, such as leather and furs, decreased 11%, and the edible animal products - meats, lard, etc. - declined 9%, the value of our shipments abroad of many other commodities, mostly manufactured products, increased. Exports of goods styled as 'inedible vegetable products,' such as tobacco, rubber goods, rosin and turpentine, were 20% greater in value than a year ago. Refined petroleum and other non-metallic minerals increased 16%; machinery and vehicles increased 13%; chemicals 6%; metals 8%; and wood and paper 2%..."



Farm vs.
Factory

An editorial in The Journal of Commerce for September 27 says: "Thirty years ago an eminent American economist wrote a book which received wide attention at the time, on the 'competition between the farm and the shop.' Were he living to-day he might well change his title somewhat and deal with the 'lack of competition between the farmer and the factory.' All over the world there is a growing opposition of feeling a policy between the so-called extractive industries and the so-called industrial undertakings... The rallying cry which is being used in the West at the present moment in the effort to combine farmers in favor of a change of political masters is the low prices of farm products. This 'lowness' is thought of in comparison with the 'high' prices that the farmer has to pay for what he buys. Business men's organizations have lately solemnly passed resolutions calling attention to the popular explanation by saying that the 'spread between the prices received by farmers and prices paid by consumers indicates very clearly the amount of waste occurring somewhere in between.' In Russia it is customary to say that what is needed is some firm hand that will 'close the two blades of the scissors'--meaning thereby the scale of industrial prices and that of agricultural, which have been allowed to diverge from one another.... The case is not one that is likely to be corrected by any 'elimination of waste' or anything of the sort. If waste exists anywhere it, of course, ought to be reduced as much as possible, but the disparity between the two groups of prices is not fundamentally due to any such thing. It is due to interference with competition, overprotection of some items and special favors to producers of others, with resulting maladjustment in industries."

Population
Increase
and Food
Supply

A Baltimore dispatch to the press of September 30 says: "Increasing population will force the United States to advance in scientific discovery or to lower its standard of living, writes Herbert Hoover, Secretary of Commerce, in a foreword to a pamphlet entitled, 'A New Departure in Higher Education,' issued September 29 by Johns Hopkins University. Mr. Hoover believes that the Nation must choose between the alternatives mentioned if its population goes beyond the present estimate of 113,000,000. It has been estimated by Dr. Raymond Pearl, director of the Johns Hopkins Medical Institute for Biological Research, that the United States would attain a maximum population of 197,274,000 in the year 2100. Dr. Lowell J. Reed, Professor of Biometry and Vital Statistics in the School of Hygiene, who collaborated with Doctor Pearl in the population researches, said that this estimate was considered conservative. Some investigators have estimated the future population of this country at 500,000,000. Professor Reed considered this possible 'if a new and amazing method were found for increasing the national food supply, such as a discovery of means for utilizing the energy of the sun to create food without the agency of plant life.'..."

Roads and
Rails in
Denmark

A dispatch from Copenhagen to the press of September 24 says: "A far-reaching report has been tabled by a railway commission appointed some four years ago. The report maintains that railway construction in Denmark has reached its limit and that 36 out of 39 projected lines, for which the promoters had already obtained the necessary State concession and promise of State subsidy, will never be able to pay their own working expenses. This means that these railways will not be built, the district in question adopting automobile traffic in the place of railways. The calculated expenditure of these abandoned lines aggregate 95,000,000 kroner, of which the State would have had to contribute 44,000,000 kroner."

which the Exchequer will thus save, and the districts in question will save the balance. Instead of building railways, the commission urges the local authorities concerned to improve existing roads and build new ones to accommodate automobile traffic."

Rubber Imports

An increase of 117 per cent in the value of crude rubber imports for the first half of 1926, as compared with the same period a year ago, is shown in an analysis of America's world trade for the first six months of the year made public October 1 by the foreign commerce department of the Chamber of Commerce of the United States. The quantity imported during the same period showed a gain of only 8 per cent. "One year ago," a statement by the chamber's department says, "crude rubber was our third leading import commodity, with a value of \$148,000,000, or slightly over 7% of all our imports during the first half of 1925. This year crude rubber is our leading import with a value more than double that of a year ago, amounting to \$322,000,000, or 14% of our total imports for the first six months of 1926. The average import price per pound of crude rubber for the first half of 1925," the statement continues, "was 34.5 cents; for the first half of 1926 it was 69.5 cents, just double last year's price."

Waterways

An editorial in The Wall Street Journal for September 30 says: "Secretary Hoover must at times feel embarrassed by some of the support which his admittedly tentative proposals of an internal waterways program commands. The eminent economist, engineer, statesman and philosopher, Arthur Brisbane, assigns first place in the Hoover scheme to an 'ocean canal' between Buffalo and New York, enabling ocean steamers to load at Duluth and Chicago for Liverpool and Hamburg. 'This,' he says, 'will cut transportation rates on grain seven cents a bushel and add that much to the value of all grain raised in the Middle West.' If the proposed ocean canal paid no more of its maintenance and interest charges than the New York Barge Canal has, it is conceivable that it might subtract something from the through rate to Europe. But 'all grain raised in the Middle West' can not be sold abroad, nor is the grain raised in the far Southwest likely to desert the nearest Gulf ports for Duluth or Chicago. To look only at wheat, not over one-sixth of the average crop in the United States is exported; never in recent years has one-quarter of it gone out. Allowing for Gulf exports and the smaller movement via Pacific ports, a decidedly minor fraction of the wheat crop would be affected by any saving in export freights....In justice to Mr. Hoover it should be pointed out, as Mr. Brisbane does not, that the proposal of the Secretary of Commerce is that some years of study be given to the possibilities of internal waterways by persons competent to find and understand the facts. He has not undertaken to authorize Mr. Brisbane to start the digging forthwith, or even to stampede Congress into making appropriations."

Western Apple Crop

A Portland, Ore., dispatch to the press of September 27 states that official estimates place this season's apple crop in Oregon, Washington and Idaho at 39,294,000 boxes, compared with 33,942,000 boxes last year. Crop condition is 93 per cent, with the average for the United States 77 per cent. Prospects point to a crop of 3,626,000 boxes in British Columbia, whereas the average production for the preceding five years was 2,927,000 boxes.

Wheat Market- An editorial in The Nor'-West Farmer (Winnipeg) for September 20
ing in says: "...A proportion of our readers may not think that speculators ex-
Canada ert much influence in markets, now that the pools manage the marketing
of so large a share of the Canadian crop, but speculators buying and
selling for profit, and the elevators and commission houses putting out
hedges, make the day-to-day price for wheat, and so far as we can see
at present, always will. This statement may be open to criticism but
until the Canadian pools in cooperation with pools in the other wheat
producing countries control a large proportion of the wheat of the
world, speculators will continue to exert a very considerable influence
on prices. Whatever one's views may be as to the morals of speculating
in grain or whatever punishment one is inclined to think should be
visited upon speculators, the fact remains that here, in the United
States, at Liverpool and Buenos Aires, futures markets will continue
to function and trading in futures by men who make that their business
or sideline will continue to be an important price making factor in
wheat markets...."

Section 3 MARKET QUOTATIONS

Farm Products Sept. 30: Chicago hog prices closed at \$13.75 for the top, bulk
of sales \$11.50 to \$13.50; beef steers are generally lower, heifers
slightly lower to 40¢ higher and cows steady to slightly lower. Vealers
are 50¢ to \$1 higher and heavy calves steady to 50¢ up. Stocker and
feeder steers steady to higher. Fat lambs ranged from 25 to 40¢ lower,
yearling wethers are \$1 to \$1.50 off, fat ewes 25¢ and feeding lambs
90¢ to \$1.25 lower, compared with a week ago.

Maine sacked Cobbler potatoes ranged \$2.10 to \$2.85 per 100
pounds in eastern markets; bulk stock mostly \$1.65 f.o.b. Presque Isle.
New York Domestic type cabbage steady in New York City; irregular else-
where closing at \$15 to \$20 bulk per ton with f.o.b. sales at \$8 to
\$10 in Rochester. New York Elberta peaches ranged \$1.25 to \$2 per
bushel basket in eastern markets; 75¢ to 90¢ f.o.b. Rochester. Illinois
Jonathan apples sold at \$4 to \$4.50 per barrel in Chicago. New York
Wealthys and Northwestern Greenings brought \$2.50 to \$3 in New York City.

Grain prices quoted Sept. 30: No.2 red winter St.Louis \$1.43;
Kansas City \$1.38. No. 2 hard winter Kansas City \$1.36 to \$1.42. No.2
yellow corn Kansas City 81¢. No.3 yellow corn St.Louis 80¢. No.3 white
oats St.Louis 46¢; Kansas City 44¢.

Middling spot cotton in 10 designated spot markets declined 20
points, closing at 13.88¢ per lb. October future contracts on the New
York Cotton Exchange declined 20 points, closing at 14.38¢, and on the
New Orleans Cotton Exchange they declined 23 points, closing at 14.20¢.

Closing prices on 92 score^{butter}: New York 45 1/2¢; Chicago 44 1/4¢;
Philadelphia 46 1/2¢; Boston 45 1/2¢. (Prepared by Bur. of Agr. Econ.)

Industrials and Railroads	Average closing price	Sept. 30,	Sept. 29,	Sept.30,1925
	20 Industrials	158.19	157.71	143.46
	20 R.R. stocks	121.23	120.89	102.46

(Wall St. Jour., Oct. 1.)

DAILY DIGEST

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Vol. XXIII, No. 2

Section 1

October 2, 1926.

THE PRESIDENT ON EXPENDITURES

The press to-day reports: "Another warning against extravagance was sounded yesterday by President Coolidge. He has heard reports that there is 'going to be a raid on the Treasury,' and that candidates for Congress are promising all kinds of appropriations in the next Congress. The policy of conservative economy and the reduction of Government expenses would be continued in the next Congress, it was said at the White House. This, it was added, did not mean the administration was going to follow a 'cheese-paring' program, but that it would not sanction unnecessary expenses.... The present fiscal year's expenditures require careful scrutiny, President Coolidge holds, because of increased obligations, such as the \$25,000,000 public buildings bill and the \$50,000,000 allotted to rivers and harbors improvement. The President believes the United States is facing an era of prosperity, but he holds that while the Government's income may be larger than anticipated under the new tax law, this is the time to proceed conservatively and continue economies in Government. He feels that if the Government keeps down its expenditures, many of the other problems facing the people will be solved. In his opinion the Federal Government should set an example to the municipal and State Governments in expenditures...."

PRODUCTS AND PRICES

A.D. Welton, Chicago correspondent of The Philadelphia Ledger, in to-day's issue says: "For the moment wheat has been pushed from the center of the agricultural circle by cotton. In regard to the great southern staple, the Government's figures of the crop have been questioned and a new survey of cotton conditions in Texas will be made. The cotton situation is serious. One result of it may be to force the southern planters and the northern and western wheat growers into rather more harmonious organization for the promotion of some of the farm-relief measures that will be forthcoming with the meeting of Congress in December...The products of agriculture are the things that should be exported, according to the advanced economists. More of the products of the farm should be exported and less of the products of the factory. The latter takes wealth out of the country and the former brings wealth into it. Already, says this school of thought, this country has exported too much wealth...."

WOOL MARKET

The Commercial Bulletin (Boston) to-day reports: "While buyers have been a little less keen for wool this past week, there has been a substantial turnover in the wool market and prices have been fully maintained on the basis of values established a week ago. Manufacturers are in an improved position and are able to secure some advances in cloth, with the tendency of the market upward all along the line. The foreign markets are very buoyant. London generally keeps up to the level of values established in the opening week, low crossbreds being slightly easier, while the finer qualities of merinos are slightly dearer. Good wools are keenly sought."

A London dispatch to-day says: "The offerings at the wool auctions yesterday amounted to 10,339 bales. The selection was well absorbed at full current rates. Fewer withdrawals took place."

Section 2

Agricultural
Credits

An editorial in The Country Gentleman for October says: "Any plan that presents more credit as the chief instrument for farm relief will not meet either the wishes or the requirements of the majority of American farmers. That is the opinion not only of this publication but of farmers themselves. Intimations that measures involving the extension of more credit facilities were being considered as an approach to farm relief led The Country Gentleman to obtain the opinions of representative farmers and farm leaders in all sections of the country. These questions were asked them: 'Does the farmer need more credit for personal or cooperative use?' 'Will additional credit bring adequate farm relief?' The replies left no doubt about the matter. Many of those questioned went further and stated what they felt would constitute adequate relief. 'Farmers do not need additional credit. They are too much in debt now. An increase in the price of the things they have to sell or a decrease in the price of things they have to buy is the only adequate relief,' declared A.W. Simmons, of Freewater, Oregon, farmer, and president of the Walla Walla Valley Prune Growers Cooperative. The view of the great Southwestern grain region was stated in this way by C.I. Overstreet, banker-farmer of Cherokee, Oklahoma: 'Farmers have had too much credit now at the high rate of interest. What we need is a lower price on machinery and other articles the farmer has to buy and a better price for what he raises.' From the upper grain region is this opinion by J.W. Knowles, of the Farmers National Grain Dealers Cooperative Association, with headquarters at Omaha: 'In the grain belt more credit will not improve agricultural conditions. The farmer has had too much credit and does not need more for personal use or cooperative marketing. More favorable terms and lower interest on funds to replace credit now used in cooperative marketing would be a real help.'... Sam M. Dunwoody, a farmer along large lines and the next commissioner of agriculture in Alabama, stated: 'Farmers need more credit for cooperative use. Adequate farm relief will come only when farmers are thoroughly organized. Additional credit will help them to maintain their organizations and enable them to hold their crops until it is possible to market them in an orderly manner through cooperative associations. More money for personal use will naturally follow this sort of relief.' But others who see in cooperation the strongest hope for ultimate farm improvement took another view regarding credit. George R. Harrison, farmer and master of the California State Grange, declared: 'I think the farmer has had too much credit or has abused that credit. What is needed is closer cooperation among farmers themselves, uniting on good, strong cooperative marketing associations and getting rid of so many middlemen.'... We have, however, heard clearly and unmistakably the response of farmers in all sections of the country to any offer of further credits and nothing more. Such a relief plan will not do."

Armour Case

An editorial in The Milwaukee Journal for September 28 says: "Mr. Jardine, Secretary of Agriculture, charges that the Armour Grain Co. tried to manipulate the market in violation of the Grain Futures Act. The Armour Company says that similar charges were investigated by the directors of the Chicago Board of Trade and the company was exonerated. The case will now go before a referee, and if Mr. Jardine can make his accusations stand up, not only the company but the Chicago Board of Trade will be in a bad way. For the board has said all along that it would not permit shady practices; that no legislation was needed to prevent things that farmers have complained about. Some legislation has been attempted, but so far the board has escaped the more radical proposals. There was an

inclination to give the directors an opportunity to demonstrate that a reformation had really come about, and henceforth everything was to be on the 'up and up.' Of course, the case must not be prejudged. It is serious business. But if Mr. Jardine proves his charges, the Board of Trade might as well save its breath when members from the farming districts propose more regulation. For nobody will believe that it ever intends to carry out its promises."

Cotton Crop

An editorial in The Journal of Commerce for October 1 says: "This morning The Journal of Commerce presents its usual September report on the cotton crop outlook. Its regular correspondents throughout the producing areas of the leading cotton States estimate the indicated output to be about 16,678,000 bales, around 1,500,000 bales more than these correspondents reported a month ago. Meantime the Department of Agriculture on September 25 had found itself under the necessity of increasing its estimate some 664,000 bales over its figures presented to the public two weeks earlier. Concurrently sundry private dispatches from the belt have been indicating that the total crop is likely to prove very substantially higher than heretofore thought probable....Just what the size of the crop this year actually is can not, of course, be known with assurance for some weeks. It is, however, reasonably clear that it will be a good deal larger than has been expected, all estimates having been too low in the past month or two....It is safe to conclude that a very large crop of cotton will be picked this year. Possibly the trade, or some elements in it, are yet not fully prepared for the full truth in this connection. Of course, this raises some very serious questions of financing the cotton crop....It is doubtful if the business community as a whole can afford to permit cotton prices to work to ruinously low levels and remain there for a great length of time. Purchasing power of the southern farmers would be too greatly and perhaps needlessly injured to the detriment of the manufacturer and others who wish to market their goods in that section of the country. A 17,000,000 bale crop of cotton coming on the heels of a crop of more than 16,000,000 bales last year might bring a good deal that would border closely upon havoc in our general business situation...."

Exports

While American exports to Europe declined during the first half of 1926 as compared with the same period a year ago, shipments of American products to other parts of the world showed considerable increases, says a statement issued to-day by the foreign commerce department of the Chamber of Commerce of the United States. This statement is based on an analysis of this country's world trade for the first six months of the year. "In the first quarter of this year," it is pointed out, "47.7% of our total exports were purchased by European countries; in the second quarter only 42.9% of our trade went to Europe. As an offset, however, North America, chiefly Canada, greatly increased its purchases of American merchandise. In the first quarter 23.8% of our exports went to our neighbors; in the second quarter 28.6% was taken by North American countries. Oceania took a slightly larger share of our exports; but Asia's and South America's shares were smaller than in the preceding quarter, Africa's proportion remaining about the same. For the first half of 1925 our five leading markets were the United Kingdom, Canada, Germany, France, and Japan, in the order named. These five customers alone purchased more than one-half of our exports, amounting to considerably more than one billion dollars in six months. Notwithstanding the decreases in our exports to European markets shipments to more than half of our chief customers in the first half of 1926 were larger than a

year ago. Among 21 recorded markets in Europe, Denmark, Irish Free State, Portugal, Rumania, Czechoslovakia, and Austria were the only ones to make increased purchases. Canada led all other countries in gains, per purchases of American goods having increased by \$50,489,000, or 17%. Other North American customers making larger purchases were Panama, Guatemala, Salvador, Trinidad and Tobago, Dutch West Indies, and British Honduras..."

Fur Prices

The New York Times of September 30 states that wolf and wolverine, both of which brought prices averaging 25 per cent higher than last spring, were the outstanding articles of the third day of the annual fall auction of raw furs now going on in New York. Timber wolf, with a rise of 20 per cent, also sold well. Sales for the day again reached \$450,000, and the grand total to date is \$1,650,000.

A New York dispatch October 1 states that bidding for the heavier and better colored Western Canadian and Alaskan red fox featured the fur sale September 30. Eastern red fox brought \$33 as top price, which was paid for Kamchatka pelts. Compared with the spring sale, Russian, Siberian and Mongolian red fox went up 5 per cent. Australian fox, with a rise of 20 per cent made the best showing for fox at \$3.30. Gray fox sold to \$3.20.

Grape Crop in N.Y. and Pa.

A Buffalo, N.Y., dispatch to the press of September 30 states that the grape crop of the New York and Pennsylvania vineyards will probably be twice as large as last year, officials of the local office of the State Department of Farms and Markets announced September 29. The movement of the crop to market will commence on Oct. 4, when the department will begin to issue its daily special grape market report.

Japanese Wheat Mills

Japanese mills are an important factor in supplying the growing demand for wheat flour in the Orient, says the National Bank of Commerce. Stimulated by conditions arising out of the war, the milling industry of Japan was expanded, but "during the years following the war exports of flour fell to a low figure." Through the vicissitudes of trade the industry picked up until by the beginning of 1926 it had an estimated daily capacity of 37,920 barrels, sufficient to take care of considerably more than the average amount of wheat consumed in the country. "That the Japanese mills are feeling the pressure of competition among themselves is evidenced by their recent agreement for a drastic limitation of output for two years," the bank states. "As this limitation does not apply to the export trade, however, each mill being allowed an increase in output to balance any previous increase in exports, it is likely to intensify competition for external flour markets. The fundamental weakness of the Japanese situation lies in the dependence of the mills upon imported wheat to supply their export flour trade, and the necessity of maintaining this export trade if the mills are to keep up a profitable rate of operation...."

Land Value Inflation

An editorial in Successful Farming for October says: "Agriculture is burdened with a heavy overhead expense which product prices have been unable to carry. It was the 'vicious circle' that entangled agriculture and tripped it." It happened somewhat in this order: The World War, as wars always do, created an unusually high price for farm products. Fear, in the name of patriotism, stimulated buying; fear lest somehow we might not have enough to eat and wear. We unconsciously assumed that goods were worth more, while in fact we simply paid more because the value of the dollar had shrunk. Inflated currency brings inflated prices for

everything. There became a land boom because of high market prices. If products were worth twice as much, why were farms not worth twice as much? But it was overlooked that the dollar was worth only half as much, so it took twice as many to buy products and buy farms. On this inflated valuation taxes went up. Mortgages and everything else were based on this inflation. So, when the bubble burst and prices came down, or in other words, the dollar came back to real value, the overhead of inflation still clung to agriculture in taxes, interest, high freight rates, etc. Contracts running a period of years were based upon the war land values, and there seems to be no way to write off the deflation on contracts. The bargains were made in terms of dollars, not in terms of values, hence the overhead that farms carry is a real burden and one that is not easily shaken off."

Section 3 MARKET QUOTATIONS

Farm Products Oct. 1: Maine sacked Cobbler potatoes \$2.25 to \$3 per 100 pounds in eastern cities; bulk stock \$1.75 to \$1.80 f.o.b. Presque Isle. Long Island sacked Green Mountains \$2.95 to \$3.25 in a few markets. New York domestic type cabbage unsettled at \$14 to \$20 bulk per ton in eastern cities; \$7 to \$9 f.o.b. Rochester. New York and midwestern yellow varieties of onions closed at \$1.40 to \$1.75 sacked per 100 pounds in consuming centers; \$1.25 to \$1.40 f.o.b. Eastern Crimes and Wealthy apples \$2.50 to \$3 per barrel in city markets. Illinois Jonathans \$4 to \$4.50 in Chicago.

Chicago hog prices closed at \$13.90 for the top; bulk of sales \$11.75 to \$13.75; beef steers steady to slightly lower, heifers 15¢ lower to 40¢ higher, cows 10 to 25¢ higher. Vealers advanced 50¢, while heavy calves were steady to 50¢ higher than last Friday. Fat lambs declined 25 to 40¢, yearling wethers were \$1 lower to 50¢ higher while fat ewes lost 25¢ and feeding lambs 90¢ to \$1.25 for the week.

Grain prices quoted October 1: No.1 dark northern Minneapolis \$1.44 to \$1.56. No.2 red winter St.Louis \$1.43. No.2 hard winter St. Louis \$1.45. No.3 yellow corn St.Louis 79¢; Minneapolis 77¢. No.3 white oats St.Louis 45¢; Minneapolis 41¢.

Closing prices on 92 score butter: New York 45 3/4¢; Chicago 44 1/2¢; Philadelphia 46 1/2¢; Boston 45 1/2¢.

Middling spot cotton in 10 designated spot markets declined 64 points, closing at 13.24¢ per lb. October future contracts on the New York Cotton Exchange declined 48 points, closing at 13.90¢ and on the New Orleans Cotton Exchange they declined 57 points, closing at 13.63¢. (Prepared by Bur. of Agr. Econ.)

Industrials and Railroads	Average closing price	Oct. 1,	Sept. 30,	Oct. 1, 1925
	20 Industrials	159.69	158.19	144.77
	20 R.R. stocks	121.83	121.23	102.60

(Wall St. Jour., Oct. 2.)

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Vol. XXIII, No. 3

Section 1

October 4, 1926.

DAWES FARM PLAN PROPOSED

A St. Paul dispatch to the press of October 3 says: "Appointment of a commission of business men representing the Nation's principal industries to seek a 'Dawes plan for agriculture' was asked by 200 representatives of North, Central and Middle West business men meeting at St. Paul October 2. The commission, to be selected by the National Industrial Conference Board, would make an economic analysis of the American farm situation in cooperation with farm organizations. Investigation will be directed toward obtaining an understanding of the agricultural situation from a world angle and to establish premises on scientific fact. Herbert Perkins, Chicago, first vice president of the International Harvester Co., submitted the resolution, which pointed out that a 'maladjustment of economic factors to-day besets American agriculture.'"

COTTON MOVEMENT

A New Orleans dispatch to the press to-day says: "The movement of the cotton crop to market assumed enormous proportions during the last week. According to Secretary Hester, the movement into sight for the week totaled 787,483 bales, as compared with 662,000 for the corresponding week last year and 553,936 bales year before last. As a result of this large movement the visible supply made a sharp increase of 476,000 bales American, against an increase of 400,000 for the corresponding week last year. For the first time in many weeks the exports fell behind the corresponding week last year, and that to a considerable amount, as the total clearances the last week reached only 280,000 bales, against 443,901 bales last year. The exports thus far this season are now behind those of last season to the extent of 73,191 bales, the total since Aug. 1 this year reaching 1,166,643 bales, against 1,239,834 in the corresponding period of last year."

COTTON PRICE

The New York Times of October 3 says: "The price of cotton this season has fallen so far below Government and private estimates of costs that conservative financial men expressed the opinion last week that some representative New York bankers were prepared to aid in financing a holding campaign hinging on a program for restriction of next year's crop. Restriction of the cotton crop in the past almost invariably proved a fiasco. That conservative financiers should indicate a belief that another experiment of this kind should be tried was accepted as indicating not only that conditions were favorable for such a plan but also that a serious economic situation impends if it is not put into effect....."

NATIONAL FARM SCHOOL

A Doylestown, Pa., dispatch to the press to-day reports that officers of the National Farm School at Doylestown, Pa., are preparing to launch a Nation-wide campaign to raise \$15,000,000 for expansion. One-third of the fund, it is expected, will be raised in the next few years.



Section 2

Agricultural Reconstruction Danté M. Pierce, writing in The Iowa Homestead for September 23, says: "It is now clear to all that the farmer has suffered more severely in the period of post-war readjustment than have other elements of the population. It is also evident that mistakes have been made, and that agriculture suffered as a result of these mistakes. It is, moreover, evident that there is a need of a further readjustment which will place agriculture upon a par with other industry. The above facts are denied by nobody. It seems to me, therefore, that more is to be gained by attempting to consider what can be done in the future than by raking over the record of the past in efforts to obtain political capital, or to unearth scapegoats upon whom some of the blame for past disaster may be placed. It is a fortunate thing, indeed, that while so many studies are being made of the 'collapse' of American agriculture, the farmer himself has gone along planting corn, raising hogs, and paying off his debts. Had he been content to rest idle in a slough of discontent while means were found of restoring him to his prewar prosperity, he would still be where he landed in the fall of 1920 and the spring of 1921. But, fortunately, the farmer has not been content to await for some Good Samaritan to come along. I personally know of thousands, and I have no doubt but that their class is in the great majority, who have made the best of the tribulations, buckled up their belts and taken a new start....The farmers of the type who are recovering, or have recovered, from the effects of the prewar depression are not going to be content with a leadership which merely tells them about their troubles. They are perfectly familiar with what has happened to them. They are also aware that whatever progress they have made in recent years is due to their own efforts, and they are becoming very skeptical as to the merits of suggested legislative panaceas. Agricultural relief is not a political problem, it is a business and financial question. More is to be gained from a sober discussion of how best to eliminate frozen land credits, for which a plan is now under consideration, than in worrying about how these credits were created. The farmers will gain much more benefit from the recently announced reduction of interest rates on Federal farm loans than in arguments about what certain bankers did or did not do in 1920....There is far more prospect to-day of sound action for the benefit of future agriculture than at any time since 1920. The period of indignation and excitement is passing. The first unsound legislative plans are passing into the discard. The natural recuperative powers of the splendid agricultural population are being exerted. The rubbish is being cleared away for the building of a really sound economic structure for agriculture....

Australia According to the press of October 2 a bill granting a bounty of
Passes $1\frac{1}{2}$ pence per pound for five years on all domestic seed cotton, except the
Cotton low grades known as grades "D" and "XXX," on which the bounty will be
Seed Bounty $\frac{3}{4}$ pence per pound, has been passed in the Australian Parliament.
Bill

Business Situation A Los Angeles dispatch to-day says: "Confidence as to the substantial character of present prosperity in the United States and the prospects for its continuing is expressed on all sides among the thousands of bankers gathering at Los Angeles for the fifty-second annual convention of the American Bankers Association. The delegates are from banks in close touch with business interests in large and small cities throughout the United States, representative of farming, industrial and commercial activities of all kinds and their composite views constitute a comprehensive panorama of the state of the Nation's business."

Cotton Reduction

An editorial in The Wall Street Journal for October 1 says: "Taking 3,000,000 bales of cotton off the market and reducing acreage next year at least 25 per cent, should bring the price of the staple to a level fair for producers. That is the plan formulated by about a hundred Texas bankers assembled at Dallas. The success of the plan depends upon the way it is carried out. Assuming the correctness of the last official estimate of 15,300,000 bales, the total supply is too large. The market's appreciation of this fact is shown in the rapid decline in price. Somebody must carry a large percentage of that crop into the next season, and assume all the risks. Naturally the price weakens. The Dallas plan is to warehouse 3,000,000 bales for another year, Texas assuming one-third of the burden. Conservative folks will believe that the welfare of Texas and of the whole South would be greatly promoted by the carrying out of this plan, but will it be? It does not seem sufficiently assured. There is a straight pledge of \$100,000,000, so there is no doubt of financial strength. But the all-important question is, who ultimately bears the burden? Plainly it is the country banker who is given access to the \$100,000,000 fund. If he will assume the burden and carry his farmers through, well and good. But the difficulty will be in getting him to fall into line. He is more apt to say that the plan leaves him in the position of the last indorser of a note who is not sure of the solvency of the maker. At the Dallas meeting John T. Orr, president of the Texas Farm Bureau Cotton Association, was present by invitation to explain his method of marketing cotton. His method was built on horse sense. Given sufficient membership and good business management it should be wonderfully effective for marketing cotton. Briefly, it is to take the cotton off the market at the time farmers are dumping it, warehousing it, spreading sales over a twelve-month period, selling by grade and class...

Farm Conditions

An editorial in The Wall Street Journal for October 1 says: "It was the wise device of the humble-minded, single-hearted pastors of our childhood, consoling the discouraged members of their flock, to advise them to count their blessings. Suppose our farmers did the same thing? No one denies that any farmer, if he chooses to look entirely at that side of his condition, has something to grumble about; he has plenty of grievances, especially if the political parasites who fatten upon him are to be believed. Somewhere about 30 per cent of our members of Congress and Senators, to say nothing of State politicians, would be out of work or engaged in other employment if they could not keep the farmer in a state of continual unrest. They do not want his problems settled. If he gets a good crop they tell him it should have been a better one, and that the middlemen and the railroads between them are stealing all his profit. If he gets good prices for a moderate crop they fix his eyes for him on what they describe as a general failure. But surely the farmer has some blessings that he might think about occasionally, if not with thankfulness at least with self-satisfaction? He already enjoys privileges and protection denied to the rest of us. Farmers are disposed to grumble anywhere in the world, but what farmer elsewhere has guaranteed to him, by the high standard of living and high wages, so wonderful, so certain, so permanent a market as the home market of the United States?....It is even advocated in these columns that he should be encouraged to form a pool to hold back for the greater part of a year, if necessary, enough grade cotton to control the market, although the overproduction was entirely the farmer's own fault. He would not believe that this and other newspapers could be honest and disinterested when they advised him last winter against planting cotton.

to excess.....The farmer, alone of American citizens and American classes has a special board devised and maintained, at the general taxpayer's expense, to grant him loans and to hold down the price he pays for interest on them...."

Food Research Business for October presents a lengthy article by Lucien Kellogg at Stanford on food research at Stanford University. This says in part: "Some of the studies upon which the institute most recently has embarked promise results susceptible to more immediate and practicable application. Consider, for instance, the plight of the Pacific Coast miller. He can't protect himself against a decline in the price of wheat, as can the eastern miller by hedging; for spot prices on the Coast don't parallel future prices in Chicago. Wheat may go down on the Coast while remaining unchanged in Chicago. Doctor Alsberg and his associates now are seeking the reasons for this condition and a possible means of relief for the Coast miller. Consider, again, the fact that the per capita consumption of bread steadily is declining, and what this fact means to the manufacturers of other food-stuffs. In 1899 the per capita consumption of wheat used for flour was 5.41 bushels, and in 1925 it had shrunk to 4.23 bushels, the shrinkage amounting to 21,000,000 barrels--more than we export. Our eating habits, it thus appears, are changing. What are we eating in place of bread?....That is the problem that Prof. Holbrook Working now is engaged in solving. Besides these studies in which the staff of the institute is engaged, the holders of Food Research Fellowships are working upon problems selected in consultation with the directors. These relate to the physical and chemical properties of wheat gluteins as they affect the quality of flour; farm mortgage credit in the West North Central States; the agricultural depression of the nineties; and the production, exchange and consumption of cereals, potatoes and sugar beets in European and North African countries....'What we're trying to do,' Doctor Alsberg (Carl L. Alsberg, Director of Food Research Institute) explained to me, 'is to help determine what should be the country's ultimate food and agricultural policy. Heretofore there has been no clear thinking on the subject. We've never been sure, for instance, whether we should be exporters of wheat or produce only enough for our own use. It's slow work, but eventually we hope to contribute information that will clarify this and other problems connected with our national food supply.'

Fur Sales The New York Times of October 2 states that sales at the closing sessions of the annual fall fur sale at New York September 3 were estimated at \$250,000, which brought the grand total for the six days of the auction to about \$3,100,000. Selling was confined to Russian sable, chinchilla and silver fox.

Meat Situation A review of the meat and livestock situation during the month just closed, issued by the Institute of American Meat Packers, states in part: "A good demand for most pork products, especially fresh pork cuts, characterized the wholesale meat trade during September, and, all things considered, the results for the month were satisfactory. In the domestic field, the brisk trade in fresh pork products was a feature. The demand was excellent during most of the month and prices were satisfactory. Towards the close of the month, however, the trade slackened somewhat.... The demand for beef was active, but was not sufficient during the latter part of the month to absorb the liberal supplies resulting from increased receipts of cattle and beef prices, as a consequence, slumped sharply. The export trade in American meat products during September was comparatively dull."

Section 5 MARKET QUOTATIONS

Farm Products For the week ended Oct. 2: Livestock quotations at Chicago show a 30¢ higher top and a 25¢ to 35¢ higher bulk than the week previous. Fat steers and yearlings advanced unevenly 15 to 40¢ but heavy weights and lower grades of shortfeds are still 25¢ to 75¢ under the previous week's high time. Best yearlings at \$12.50 were highest of the year. Fat cows and heifers declined 10¢ to 25¢, cutters advanced 25¢, bulls held steady and vealers gained 25¢ to 50¢, for the week. Fat lambs closed 25¢ to 75¢ lower, feeding lambs lost 50¢ to 75¢, and aged sheep held steady. New York wholesale fresh meat market on western dressed good grade meats is 50¢ lower on steer beef, \$4 to \$5 higher on veal, \$3 to \$4 higher on lamb, steady on mutton and light pork loins and \$1 lower to \$2 higher on heavy loins.

Potato markets unsettled. Maine sacked Cobblers sold at \$2.25-\$3 per 100 pounds in eastern markets; bulk stock \$1.75-\$1.80 f.o.b. Presque Isle. Wisconsin sacked Round Whites \$1.90-\$2.10 carlot sales in Chicago; \$1.75-\$2 f.o.b. Wapaca. Virginia yellow sweet potatoes firm per barrel in eastern cities; \$2.25-\$2.35 f.o.b. Tennessee Nancy Halls 90¢-\$1.15 per bushel hamper in the Middle West. New York Elberta peaches declined slightly to \$1-\$1.50 per bushel basket in city markets; 75¢-90¢ f.o.b. Rochester. Michigan Elbertas \$1-\$1.50 in Chicago. Apple markets generally dull. New York Wealthys closed at 75¢-\$1.25 per bushel basket in eastern distributing centers. Illinois Jonathans \$4-\$4.50 in Chicago.

Butter markets were steady to firm during the week and advanced slightly toward the close. Buyers were cautious but a fair volume of goods moved into trade channels. Storage withdrawals continued heavy and in excess of the same period last year. Production conditions were favorable.

Cheese markets were steady to firm with prices on the cheese boards of Oct. 1, $\frac{1}{4}$ - $\frac{1}{2}$ ¢ higher. Trading was fair at county points. At terminal markets little activity was seen.

Average price of Middling spot cotton in 10 designated spot markets declined 155 points during the week, closing at 12.79¢ per lb. New York October future contracts declined 123 points, closing at 13.40¢. New Orleans October future contracts declined 152 points, closing at 13.08¢.

Hay market practically unchanged. Receipts fair with stocks accumulating some markets. Chicago reports light country loadings and all classes selling readily. Alfalfa about steady. Los Angeles firm, increasing demand better grades.

Feed market continues quiet. Wheatfeeds turning firm, with demand slightly more active but quotations holding steady. Cottonseed meal again dull account new crop pressure. Linseed meal about steady although price declines in cottonseed meal affecting demand for linseed meal. Gluten feed holding steady with production heavy for season and offerings liberal. Hominy feed ruling firm. Alfalfa meal quiet. (Prepared by Bu. of Agr. Econ.)



DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 4

Section 1

October 5, 1926.

THE PRESIDENT PLANS AID FOR FLORIDA FARM- ERS

The press of October 4 says: "Government aid involving perhaps \$300,000 is to be given to the hurricane-stricken farmers of Florida under instructions of President Coolidge, who has directed Secretary of Agriculture Jardine to assist the farmers in every way possible. Mr. Coolidge informed the Secretary that he believes that if Congress were in session it would authorize immediate and substantial relief for this class of sufferers," and that it is his desire that the Secretary use for this purpose such funds from the appropriations allotted the Department of Agriculture as will not interfere with current operations. Reports made by Secretary Jardine to the President, received by the former from department representatives in Florida with regard to the destitution which confronts farmers in the stricken areas of that State, indicate clearly, the President told him, the urgent need for prompt and effective assistance in the matter of furnishing them with seeds and fertilizer.

"The Federal Government has always been quick to respond to an emergency of this nature and I am confident that if the Congress were in session it would authorize immediate and substantial relief for this class of sufferers in Florida whose needs can not be met from other sources," Mr. Coolidge declared. "The reports set forth that the farmers must grow crops this winter as their only source of living and that it will require approximately \$300,000 to furnish them with the seeds and fertilizers necessary to enable them to get started."...."

HUGHES ATTACKS PACKER DECREE

The Associated Press to-day reports: "Mitchell Palmer, as Attorney General in the Wilson administration, came under the fire yesterday in the District of Columbia Court of Appeals of Charles Evans Hughes, Secretary of State in the Harding and Coolidge administrations. Mr. Hughes declared Mr. Palmer had abused the power of his office in forcing the 'big five' meat packers to the consent decree of 1920, enjoining them from further dealing in unrelated lines of business. The packers are now asking the courts to set aside the decree, and the Government, in opposing the motion, is contending that the District Court of Appeals is without jurisdiction. Besides assailing Mr. Palmer, Mr. Hughes, who is appearing for the packers, also contended that the District of Columbia Supreme Court had gone beyond its judicial powers in entering the decree because of the stipulation therein that there had been no violations of law and that there would be no finding in fact...."

SUGAR CREDIT

A New Orleans dispatch to the press to-day says: "Organizing the Louisiana Agricultural Credit Association, banks and business interests of New Orleans and the sugar belt have raised \$300,000, to be used in the financing of the sugar planters through what may prove the most critical period of the industry's life. The purpose of the corporation is to lend money for the purchase, distribution and cultivation of the new variety of canes that are now available in Louisiana, whereas the present canes are running into losses every year."

Section 2

Agriculture and the Banker Oscar Wells, president of the American Bankers Association, in his address before the American Bankers Association convention at Los Angeles October 5, said: "Agriculture is a basic industry. Its problems perplex the economic world. Its present status is one of a recognized maladjustment. It is true that it received a great stimulus by the demands incident to the needs of the World War from which it has not altogether recovered. This may be accomplished through an elapse of time and hastened by the application of the increasing knowledge of scientific methods gained through a better understanding of the courses given by the agricultural colleges, the results of the experiments made and disseminated by the Department of Agriculture of our Government and by the sound theories of the farm organizations, involving the benefits of the intelligent use of the principles of cooperative marketing. It is upon this theory that the agricultural commission of your association has constructed the plan of its work during the last few years....You and I may hope for a great campaign of education like the one through which the country passed in recent years on the subject of tax reform or similar to the one of a few years ago on banking and currency out of which came the Federal Reserve Act. There is involved in this struggle the determination to attack the soundness of the existing walls of a protective tariff and restricted immigration. They are alleged to be artificial bars to the rightful share of the producer of agriculture in the prosperity of the Nation....We may believe in both as essential to our domestic welfare and yet desire to see the farmer relieved from the dilemma of buying his supplies under the restrictions which they impose upon him while selling his surplus products to the unstimulated markets of the world. We may have the feeling that we are not ready to valorize our crops, as the Brazilian does his coffee, for our association has consistently disapproved of all proposals to have the Government regulate or control the prices of commodities. Our attitude in the past has been that the decline in acreage of lands under cultivation is the only effective remedy for too great a supply of farm products and resultant low prices and that such a decline could be brought about only through the influence of those same low prices.....There is still another element in this situation about which we hear much and will probably hear more. There is crystallizing a sentiment that more credit is needed. That is an old cry.....In this connection it must be remembered that the Federal Land Bank has been brought into existence to absorb properly safeguarded mortgage loans on farm lands, that the Intermediate Credit Bank is designed to meet the needs of those who may want to borrow upon terms beyond the seasonal limitations, and that the local banks fortified by the rediscounting machinery of the Federal Reserve Banks are the logical handlers of all good short time credits, such as those involved in producing and marketing the staple products of the soil. Is it surprising that the banker wonders whether the question is one of more credit and if the solution of the problem can be made lasting or effective by granting credit to those who can not now borrow from existing agencies engaged in the business of lending? A large part of his life is spent in observing the tragedies which follow the use of too much credit."

Business
Outlook

Commerce Monthly (New York) for October says: "The outlook continues to be for active, good business throughout the remainder of 1926. The probability is that the aggregate volume of goods passing into final consumption between now and the end of the year will be at least as large as in 1925 and it might show a gain of from 3 to 5 per cent, this being

generally accepted as a normal expansion due to year-to-year increase in the population and business of the country. This is not to say, however, that the situation is absolutely clear. It is useless to deny the presence of a feeling of some uncertainty, which now amounts to no more than a doubt as to whether business may not be too good to last. The fact is that the entire productive and distributive machine is geared up to operate on the basis of an active sustained demand and any interruption of this apparent equilibrium would be promptly reflected in production and employment. While there are no signs of a pronounced recession in the ordinary sense of the term, there are some indications that in the later months of the year less favorable aspects in the business situation may become more clearly discernible."

Cotton Crop

An editorial in The American Fertilizer for October 2 says: "The cotton market seemed strangely unprepared for the last Government report. Surely a crop of less than sixteen million bales on more than forty-seven million acres is not a wonderful yield. The earlier reports had disclosed no fatal deficiencies in the crop. It was simply late, and the unfavorable weather which had retarded its development could not be expected to last all the season. The most discouraging feature of the situation is the way the South reacted to the report. Not a word was heard about the need for developing new markets for cotton, nor of the importance of growing it more cheaply. But they began to talk about abolishing the Crop Reporting Board, closing the cotton exchanges, and borrowing a hundred million dollars in order to hold three million bales of cotton off the market. The South has never grown a crop of cotton--at least not since production records have been kept. The present yield is about half a crop. If the sixteen million bales had been grown on twenty-five million acres and the rest of the land planted to some other crop, the cotton could be sold for fifteen cents at a good profit. This has been demonstrated again and again. Why does the South farm as in the time of their grandfathers?"

Europe's Steel Agreement

An editorial in The New York Times for October 3 says: "It is recognized by every one familiar with the matter that the European international 'steel consortium' as finally arranged last week has two distinct aspects: the purely industrial and the political. Politically, it is hoped by the statesmen who promoted it that this harmonizing of interests among competing producers will have the good effect that attends judicious commercial treaties, and will avert the 'industrial war' that has been an outstanding influence on political animosities. It undertakes to guarantee for France the unhampered use of German fuel, while preventing use of the product made with it for purposes of destructive competition. It was openly recognized by Briand and Stresemann that a mutually advantageous trade arrangement of the kind would help toward political 'rapprochement' between France and Germany. Published outlines of its economic purpose have laid stress upon its asserted beneficial results on production and consumption. Through controlling and allotting output, this international 'cartel' was to maintain a stable market; avoid overproduction with the losses to makers, sudden fall in prices and consequent derangement of plans of consuming purchasers. So far, the program could reasonably claim to promote the economic benefit of all concerned....In so far as the European combination is designed to stabilize or sustain steel prices in the cooperating markets, it would hardly

be looked upon as a trouble-maker for the competitive British or American trade. In the discussions of the scheme, nothing appears to have been said as to stabilizing export prices. The Iron Age's European correspondence lately explained that fact, however, on the ground that the plan of adjusting allotted production to visible demand would leave no motive for cutting export prices, whereas actual fixing of export prices would give easy opportunity for countries not in the pool to undersell the combined producers....."

Farmers as
Buyers

An editorial in The Journal of Commerce for October 10 says: "What the Department of Agriculture had to say the other day about the decline of farm prices is, of course, indisputable. Its index of farm prices is reported at 82 in August this year, as compared with 93 at that date last year. The general price level has been downward for a year or more, but, as noted in this newspaper on more than one occasion, farm products have suffered more than have other types of goods as a rule. There can be no doubt that this fact presents a problem well worthy of thought. For a long while past the disparity between the prices of farm products and other prices, in favor of other prices, has been one cause of trouble in our economic and political system. Evidently the events of the past year have been aggravated rather than alleviated by this condition. Yet it must be said that farmers are apparently again this year able to buy manufactured goods with considerable freedom. In no other way is it possible to account for the good showing made by mail order houses, or for that matter for other and independent reports to the same effect. One explanation doubtless is to be found in the fact that the total purchasing power of the rural districts is determined not by unit prices but by the mathematical product of such prices and the total volume of output. Now the reason for declining farm products has been for the most part the fact that crops have been and promise to be of very substantial proportions. It is entirely too early to weep crocodile tears over the fate of the farmer, even if the situation is one that calls for attention and intelligent action."

Lowden on
Marketing

Frank O. Lowden is the author of an extensive article proposing "mass selling for the farmer," in The New York Times of October 3. In this he says: "Organization of the farmers for the purpose of marketing their crops collectively is progressing. I believe that some day it will cover the entire field. Denmark has shown how, under the most adverse circumstances, it can transform the agriculture of a people. Wherever cooperative marketing is furthest advanced, either in the United States or abroad, there you find agriculture in its best state. Violent fluctuations in the markets are eliminated; better prices to the producers are insured, without an increase in cost and sometimes with an actual decrease to the consumer; an approach to standardization, product of a more intelligent effort to adjust production to probable demand, and a finer and more satisfying community life result. It is doubtful, however, if the cooperatives of the staple farm products can be sufficiently organized to take care of this ever-present problem of surplus unless some way be found by which the cost of handling the surplus is borne equally by all producers of the particular commodity. If the producers of any farm product are only partly organized and attempt to take care of the surplus, the producers of that commodity who are not members of the cooperative receive the full benefit of the improved price without bearing any of the burdens incident to the surplus."

Section 3

Department of Agriculture An editorial in Pennsylvania Farmer for October 2 says: "A few years ago the Department of Agriculture began collecting and publishing information about the acreage which farmers intended to plant the following season. But experience shows that, even when the figures warranted the department issuing a caution against over-planting, farmers on the whole paid little attention in the way of keeping down the acreage. The idea is a good one and is probably the only available method of keeping production down to market needs. But as long as individual farmers hope to profit by slipping in surreptitiously a few extra acres little can be accomplished. This year, the 'intentions to plant' report shows that, if plans are carried out, over fourteen per cent more wheat will be sown this year than last. If this is done, and if the yield should be as good or better next year, what will be the price of wheat in 1927?"

Section 4

MARKET QUOTATIONS

Farm Products Oct. 4: Top price of hogs at Chicago at \$14, while bulk of sales at \$11.90 to \$13.85.

Maine sacked Cobbler potatoes at \$2.35-\$2.85 per 100 pounds in eastern markets; bulk stock \$1.70-\$1.75 f.o.b. Presque Isle. Northern sacked Round Whites \$1.85-\$2.25 carlot sales in Chicago, \$1.70-\$2. f.o.b. New York yellow variety onions \$1.50-\$2 sacked per 100 pounds in eastern cities; \$1.30-\$1.35 f.o.b. Rochester. Midwestern yellows \$1.40-\$1.75 in consuming centers; \$1.25-\$1.40 f.o.b. New York Elberta peaches \$1-\$1.50 per bushel basket in eastern distributing centers; 75¢-90¢ f.o.b. Rochester. Michigan Elbertas \$1.40 in Chicago. Eastern Wealthy apple markets dull, Grimes and Greenings \$2.50-\$3 per barrel in the East. Illinois Jonathans \$4-\$4.40 in Chicago.

Average price of Middling spot cotton in 10 designated markets declined 25 points, closing at 12.54¢ per lb. October future contracts on the New York Cotton Exchange declined 16 points, closing at 13.24¢, on the New Orleans Cotton Exchange they declined 23 points, closing at 12.85¢.

Closing prices on 92 score butter: New York 46 1/2¢; Chicago 45 1/4¢; Philadelphia 47 1/2¢; Boston 46¢.

Closing prices at Wisconsin primary cheese markets: Single Daisies 23 1/4¢; Longhorns 23 1/2¢.

Grain prices quoted: No.2 red winter Chicago \$1.44. No.3 yellow corn St.Louis 81¢; No.3 white oats St.Louis 44¢. (Prepared by Bu. of Agr Econ.)

Industrials and Railroads	Average closing price	Oct. 4,	Oct. 2,	Oct. 3, 1925
	20 Industrials	156.78	159.64	146.65
	20 R. R. stocks	119.82	121.53	102.54
(Wall St. Jour., Oct. 5.)				

DAILY DIGEST

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Vol. XXIII, No. 5

Section 1

October 6, 1926

COTTON AID PLAN

The Daily Digest on October 5 received from Fenner and Beane, New Orleans, the following telegram: "After a comprehensive survey by telegraph of all the cotton centers in the South, Fenner and Beane, New York and New Orleans brokers, have reached the conclusion that practical and effective aid in checking the cotton market...can be rendered to the farmers by the offering of commercial loans at four per cent on the basis of ten cents for white cotton properly stored and withheld from the market by farmer borrowers who pledge themselves to the lender to sharply reduce cotton acreages next year. Fenner and Beane have put this plan up to every banker and editor in the Southern States. The responses are highly favorable and many local banks are now advertising widely they are prepared to make such loans in order to aid cotton farmers in offering resistance to the decline but in every case require that farmer borrowers definitely pledge themselves to reduce acreage next year."

BANKER URGES CAUTION

An Associated Press dispatch from Los Angeles to-day says: "America is in a 'state of great prosperity,' Oscar Wells, of Birmingham, Ala., president of the American Bankers Association, told the annual convention of the organization here Oct. 5. The industrial output of the Nation, he said, 'is exceeding the estimates of the trade enthusiasts and our record for efficiency is beyond dreams of an expert....Although fundamental conditions are encouraging and prospects may well be considered fair, bankers know that sooner or later the growth of expansion will receive a halt,' he said. 'It has been so in the past and often enough to convince us that it will be so again. When the test comes, much will depend upon the soundness of the credit structure.' World prosperity will help this country, Mr. Wells said, launching into a discussion of the economic situation of the world. He urged the bankers not to waste capital. Pointing out that prudent financiers are convinced that the United States would do well to avoid the absorption of additional amounts of gold during the next few years, the president said bank credits had been abundant for a long period and in the nature of things it 'can not healthfully continue to expand as it has done in the past two years.'"

IMMIGRATION PROBLEMS

Declaring that there are about 500,000 Mexicans in this country at the present time without regard to any immigration restriction by the Government, Commissioner General of Immigration Harry E. Hull, yesterday before the annual convention of the National Association of Manufacturers in New York City, urged the adoption of legislation which would put these people in a class with Europeans as regards the restriction of immigration....Commissioner General Hull declared that the present restrictive policy of the Government on immigration should be upheld. He recommended the adoption of some means of registering the 2,000,000 to 3,000,000 aliens now in this country who are considering themselves citizens and will only learn for the first time that they are not should they leave the country and attempt to return. He said that the Government by cutting down the admission of aliens had done away with the day of cheap labor. He said that the present policy is insuring the individual prosperity of our workers and protecting American interests. (Press, Oct. 6.)

Section 2

Cooperative
Marketing

An editorial in The Iowa Homestead for September 30 says: "The farmers' cooperative marketing movement is proving of great value to agriculture for three main reasons: First, it tends to reduce marketing costs and as a result gives the farmer better returns for his products. Secondly, it puts him in closer touch with the buyer and thereby gives him a better idea of market demands. Thirdly, this shows him the importance of improved methods of production which, in turn, results in larger net profits. It is the last mentioned factor that will do more toward restoring agriculture to a profitable basis than anything else. This does not mean that less attention should be given to cooperative marketing, but rather that more emphasis should be placed on cooperative production....Here is what we have in mind. Iowa has built a large number of cooperative creameries. For many years these creameries considered themselves as individual institutions without any relation to others of their kind. They did, however, soon find that in order to get the highest price possible for the butter they manufactured their members must deliver a high quality of cream and so took steps to encourage the production of better cream by buying and paying for the cream delivered according to quality. This has brought exceedingly good results and has materially raised the quality of the butter produced. Recently many of these creameries, much to their credit, have gone a step further. They have interested themselves in the promotion of cow testing associations, because these associations bring about herd improvement among their members through the discovery and sale of the low producing cows as well as through encouraging better methods of feeding which in turn result in more economical production. These creameries are no longer devoting themselves exclusively to the manufacture and sale of butter, but are interesting themselves in everything that will tend to make their members more prosperous. Some of them are also, in cooperation with the farm bureaus, helping to promote lime and legume as well as soil building projects....In other words, cooperation in production is even more important than cooperation in marketing the products of the farmer, although at present most people are prone to lay more stress on the latter."

Farm Mortgages
in Wis-
consin

An editorial in The Wisconsin farmer for September 30 says: "In answer to a question from a subscriber who is anxious to ascertain the amount of business in policies done by Wisconsin companies and the amount of mortgage loans on farm and other property held by insurance companies, the following facts were brought to light. The 1925 premiums on life insurance collected in Wisconsin by the companies having headquarters in the State amounted in round numbers to \$12,300,000. The premiums collected in the State by companies of other States in the same year amounted to practically double that sum, or, \$24,300,000. Farm mortgages owned by all Wisconsin companies at this time amounted to a face value of \$14,925,000 and they owned other mortgages amounting to about \$5,800,000. Companies of other States held only about one-fourteenth as many farm mortgages in the State, amounting to a trifle over \$1,000,000, face value. But they owned practically the same amount of mortgages on other kinds of property in the State. Insurance companies are and have been for some time leading investors in farm loans and the Wisconsin appraisers of loans tell us that conditions are greatly improved and more inquiries are coming in from those who desire to rent or buy some of the lands which came into their possession through foreclosures."

Flour Market A Minneapolis dispatch to the press of October 4 states that sales of flour in this and other large milling centers are reported to be below the capacity of mills. Buyers appear more indifferent than usual at this time of the year, and even a comparatively steady market fails to attract interest. Flour companies last week witnessed the advent of a new competitor in the shape of buttermilk flour. The first factory of this kind has opened in Minnesota. The buttermilk is subjected to a heating process which dries it and reduces it to powder. The resulting product is said to be useful for various kinds of baking.

German Potash Sales A Berlin dispatch to the press of October 5 states that September sales of the German potash syndicate amounted to 82,597 tons, compared with 101,272 tons the corresponding month in the preceding year. Total sales for the five months, May to September, were 395,731 tons, compared with 456,286 tons the same five months of 1925. For the first nine months of the current year sales were 827,509 tons, as against 1,035,121 tons the same period last year.

Motor Transport Effect on Feedstuffs An editorial in *Successful Farming* for October says: "Did it ever occur to you that the advent of truck, tractor and auto has had a market effect upon the lessened consumption of hay and grain? In the *Farm Economics Bulletin* No. 31 of Cornell University this subject is briefly discussed by G.F. Warren and F.A. Pearson. 'Formerly about 24 per cent of the corn crop, 57 per cent of the oat crop, 10 per cent of the barley and 48 per cent of the hay crop were fed to horses and mules. A reduction of 21 per cent in the number of horses and mules therefore has caused a loss in the market for 5 per cent of the corn crop, 12 per cent of the oat crop, 2 per cent of the barley crop and 10 per cent of the hay crop, besides a decline in the pasture area needed. Apparently the reduction in the number of horses and mules up to January 1, 1926, makes a reduction of 18,000,000 acres in the crop area required, besides the reduction in the acreage of pasture. In time industrial uses will no doubt be found to take up the surplus that horses and mules had been consuming. For the time being farmers will have to figure out a profitable use for these 18,000,000 acres previously devoted to horse and mule feed.'

Prices in France Wholesale prices in France, according to official figures compiled by the French Government Statistical Office and transmitted to the Bankers Trust Company of New York by its French information service, showed a decrease of 69 points in the month of August, the general index figure being 785 as against 854 in July. This general index figure which is calculated for 45 articles on the basis of 100 in 1914, had increased by 19 points in April, 38 points in May, 52 points in June and 100 points in July. The decrease of wholesale prices has not yet influenced retail prices on which there was a new increase of 13 points. The index figure for Paris calculated for 13 articles of primary necessity such as bread, meat, lard, butter, eggs, milk, cheese, potatoes, beans, sugar, oil, petrol, methylated spirits, was 537 in August, as against 574 in July and 423 in the month of August of 1925.

Production Control An editorial in *Farm and Ranch* for September 25 says: "Many farmers have suggested and advocated price-fixing by the Government, which *Farm and Ranch* has always contended, means Government control of production. Only recently has *Farm and Ranch* received letters from readers advocating laws limiting production of cotton as a means of increasing the

price of the staple. Some of the desperate measures advocated by various farmers and others either indicate supreme confidence in the Government as the source of all prosperity, or the loss of independence and initiative which has so long characterized our American farmers. Practically all other industries subject to regulatory measures because of their semi-public service, are striving to lessen this control and regain some of their independence, but some farmers apparently are willing to sacrifice their inherent right to conduct their private business as they see fit in order that the price of cotton may be forced to higher levels, temporarily. Farm and Ranch sometimes doubts that even those who advocate Government control would consent to having a Government agent tell them what they should plant and how much....."

Section 3
MARKET QUOTATIONS

Farm Products Oct. 5: Chicago livestock quotations: Hogs, top, \$14.10, bulk of sales \$11.90 to \$13.85. Beef steers choice \$10.50 to \$12.15, good \$9.40 to \$11.40, medium \$7.85 to \$9.65, common \$6.25 to \$8.10. Heifers, good and choice, \$7.75 to \$11.50, common and medium \$5.75 to \$8.75, cows, good and choice \$6 to \$8, common and medium \$4.90 to \$6, low cutter and cutter \$3.90 to \$4.90; vealers, medium to choice, \$11 to \$15.50, heavy calves, medium to choice, \$6.25 to \$8.75. Fat lambs medium to choice, \$12.50 to \$14.25, yearling wethers, medium to choice, \$9.50 to \$12, ewes, common to choice \$4.75 to \$7, feeding lambs, medium to choice \$11.75 to \$13.75. New York quotations on western dressed, good grade meats, steer beef \$15 to \$17.50, veal \$23 to \$25, lamb \$23 to \$25, mutton \$11 to \$13, light pork loins \$32 to \$34, heavy loins \$24 to \$27.

Maine sacked Cobbler potatoes sold at \$2.20-\$2.85 per 100 pounds in eastern cities; bulk stock mostly \$1.70 f.o.b. Presque Isle. Northern sacked Round Whites closed at \$1.85-\$2.30 on the Chicago carlot market and at \$1.70-\$2.15 f.o.b. New York domestic type cabbage \$10-\$20 bulk per ton in distributing centers; mostly \$7-\$8 f.o.b. Rochester. New York and midwestern yellow onions closed at \$1.50-\$1.75 sacked per 100 pounds in consuming centers; \$1.25-\$1.35 f.o.b. Elberta peaches from New York at \$1-\$1.50 per bushel basket in leading markets; 70¢-90¢ f.o.b. Rochester. Eastern apples, Grimes and Wealthys \$2.50-\$3 per barrel in eastern city markets. Illinois Jonathans \$4.25-\$4.50 in Chicago.

Grain prices quoted: No.1 dark northern Minneapolis \$1.41-\$1.53. No.1 red winter St.Louis \$1.45. No.2 hard winter Kansas City \$1.34-\$1.39. No.2 yellow corn Kansas City 80¢. No.3 yellow corn St.Louis 82¢; Minneapolis 76¢. No.3 white oats St.Louis 44¢; Minneapolis 41¢; Kansas City 45c/.

Average price of Middling spot cotton in 10 designated markets advanced 35 points, closing at 12.89¢ per lb. October future contracts on the New York Cotton Exchange advanced 42 points, closing at 13.66¢, and on the New Orleans Cotton Exchange they advanced 39 points, closing at 13.24¢. (Prepared by the Bur. of Agr. Econ.)

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DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 6

Section 1

October 7, 1920

COTTON AID OFFERED A New Orleans dispatch to the press to-day says: "Sixty million dollars, or the resources of the Federal Intermediate Credit Bank of New Orleans, is being offered cotton farms of Alabama, Mississippi and Louisiana, through cooperative marketing organizations and agricultural credit bodies to aid in the orderly marketing of the cotton crop, it was announced at New Orleans last night."

COTTON PRICE CONFERENCE A Jackson, Miss., dispatch to the press to-day states that Governor Whitfield yesterday set Oct. 13 as the date for a conference of Southern Governors and cotton men in Memphis to devise plans concerning the present low price of cotton. The Governor said that "practically unanimous replies have been received from all the Governors of the cotton growing States, saying that they would hold a conference on the cotton situation."

MEETING THE CORN CRISIS An editorial in The Washington Post to-day says: "Some time next week, unless there is a change in the program, a meeting of the Governors of the Cotton States will be held in Jackson, Miss., for the purpose of devising ways and means for the relief of the cotton farmers of the South....No one section of the United States can bear the burden of financial depression without affecting the business of every other part of the country. If the cotton grower can not sell his crop he can not pay his bill to the merchant who supplies his needs, and that merchant in turn is unable to meet his obligations to the jobber of the North and East. The financial centers of the country are prepared to extend all possible aid to the southern bankers, who must finance the holders of cotton stocks and have offered to do so....It will be noted that the Texas bankers have undertaken to provide a fund of upward of \$50,000,000 with which to provide the means to meet the immediate needs of the growers of Texas, and some of the bankers of other Southern States are understood to be ready to follow the lead of Texas. Thus far no suggestion has been heard that the Federal Government must supply the wherewithal with which to finance the cotton growers, which is where the farmers of Dixie differ with their colleagues in the wheat and corn growing States."

BANKERS INDORSE BRANCH BANK BILL A Los Angeles dispatch to the press to-day says: "In one of the most dramatic fights in the history of banking in this country the American Bankers' Association went on record yesterday as favoring branch banking to a moderate extent, but establishing specified limits beyond which the branches shall not extend. The bankers went on record as in favor of the McFadden bill, but voted against the Hull amendment to it. The final tally of the counters, taken early yesterday, was 413 against the amendment and 268 for it. In other words, the bankers now put up to Congress a decision as to whether the McFadden bill to amend the National Bank Act can or can not be passed without riders which would limit its effectiveness. The branch banking problem, temporarily, is thrust into the background...."

Section 2

Cotton The New York Times of October 5 says: "Discussing the now accepted fact that current prices for cotton are below the cost of production, the South was pointed out October 4 that the industrialization of the South in recent years was a factor operating in divergent ways. It is obvious, for instance, that the growth of industry in the South makes for strength in just such situations as the present, which is to say that the more the South can divide its interests between industry and agriculture the wider will be its basis for prosperity. On the other hand, not the least of the factors entering into the increased cost of raising cotton in recent years is the scale at which farm labor is being paid. As a result of increased industrialization sufficient labor has been drawn from the farms to the factories to bring an increase in the wages which farmers and planters must pay for cultivating and harvesting their crops."

Florida Farm Aid An editorial in The Journal of Commerce for October 5 says: "We are once again reminded that the farmer is sui generis in the minds of many public officials. Those agricultural producers who were so unfortunate as to dwell and to have their business in the path of the recent tropical hurricane passing through Florida are to receive the most benevolent aid of the Washington administration. Now, of course, farmers are not the only ones who suffered in this catastrophe. Many other classes of interests were injured just as much, if not more, than were the rural producers. No one has suggested, however, that a benign Government set them up in business again, nor is any such suggestion likely to be heard, or if heard, given very serious consideration from the powers that be. They are not farmers. Of course, the whole country was distressed to hear of the losses sustained in the storm. It is responding generously to the appeals of the Red Cross for contributions to relieve immediate suffering and to protect public health. That, however, is quite different from the action contemplated in Washington in respect of stricken farmers."

Foot and Mouth Disease in Britain An editorial in The Scottish Farmer for September 25 says: "The losses, direct and indirect, from the ravages of foot-and-mouth disease are so serious that no apology is called for when attention is directed to any sort of feasible theory which may be advanced for preventing the scourge. The scientific mind is notoriously prejudiced against any remedies recommended by the layman but this prejudice should not stand in the way of testing any plausible theory. On the other hand, those who may advance claims to have discovered new light on the subject of media of contagion must guard against presumption....These reflections are suggested by the claims advanced in an article which appears in Hansen's Dairy Bulletin,...on what is described as a new way of fighting foot-and-mouth disease. The article is from the pen of a Copenhagen M.P. Past experience suggests that anything from Denmark implying patient research into a milk problem merits a respectful hearing....This 'new way' proceeds on the assumption that foot-and-mouth disease is not spread by contact but by a species of stinging fly technically described as *Stomoxys Calcitrans*. This, as we understand it, is the common stable fly, and the argument of the article under review is that if this fly be exterminated, as it can be by the use of a few tins of a specific application in form of a spray, there will be no further outbreaks of foot-and-mouth disease. The writer of the article says most truly that the extermination of the scourge alone furnishes the proof of the efficacy of the

specific. That being so, the question very naturally arises, Why does not the advocate of the use of the specific go ahead and supply the necessary proof?...."

Hurricane and Cotton Losses An editorial in The Wall Street Journal for October 5 says: "When the recent storm swept over Florida it left behind it a property loss estimated at \$100,000,000. That was rightly called a disaster. About the same time the price of cotton was sinking about \$20 a bale. On the estimate of production, with the swiftness of a hurricane, Texas lost \$100,000,000 and the other States \$200,000,000 more. The slump in the cotton market represented a financial disaster three times as large as the Florida storm. A representative of The Wall Street Journal asked Lynn P. Talley, Governor of the Federal Reserve Bank of Dallas, what effect this price decline would have on business in the South? The reply was, 'The South will have just that much less money to use.' That is obvious, but has its significance been realized, as though a sudden storm and tidal wave had swept away \$300,000,000? That much purchasing power that might have been applied to payment of debts and buying of goods is gone. The people of the South realize at least that their crop will be a great disappointment, and they are not entirely inarticulate. The foolish 'buy a bale' cry is raised. In political circles demands are made for investigation of the cotton exchanges, and hedge selling is denounced by others as an active cause. All this is as futile as recriminations around a burning building, while the incendiary, a principal sufferer, is among the most vociferous of the accusers. This great disaster came because the South--tenants, landlords and bankers--started out to produce a crop that with an ordinary yield would have been much larger than could be consumed. Providence alone saved them from a still greater disaster. With a supply greater than immediate demand every man is scrambling to market his share while calling on somebody else to do something. And then, next year, the same thing will be done again. The trouble is the whole cotton business is like a great flock of sheep without a shepherd. Cotton is a world necessity and is almost imperishable. Properly warehoused it is a gilt-edged bank collateral. Yet no staple commodity suffers so much from inefficiency and lack of organization. Annually the South has paid a heavy price for its negligence. It can not do this and prosper. This \$300,000,000 disaster should convince those holding financial power in the South of the necessity of an organized control of credit to those who plant, and a system of marketing according to consumptive needs. No one else will or can do it. Without it the Florida wreckage will be annually surpassed."

Inland Waterways An editorial in The Country Gentleman for October says: "Plenty enough reasons exist for developing this country's great inland waterway facilities. But one reason that is paramount right now is the need of equalizing sectional advantages that are working unfavorably on the people of inland America. In the past the benefits that might accrue from waterway transportation were largely theoretical. But they are not any longer. The annual report of the chairman of the Inland Waterways Corporation makes them realities. With diminished wheat and coal traffic in 1925, with forty per cent of its equipment on the Mississippi unavailable because of litigation, this Government organization transported a total of 1,142,219 tons of freight. On the Mississippi Division it showed a net operating income for the year of \$277,825.47, and the report

expresses the belief that the Warrior River operations will become self-supporting within this year. But the real meat of the report, as it concerns inland farm and business interests, is the savings in transportation costs, amounting to from 90 cents to \$3.70 a ton. Due to the shilly-shallying methods of Congress, our available waterway transportation facilities consist only of incomplete and unconnected units. They comprise but a small fragment of the possibilities, not enough to render any general benefit. But such as they are they do show that waterway transportation is not only feasible but economical. The need of a definite, well-worked-out plan of waterway development should no longer be open to doubt."

"Master
Farmer"
Movement

An editorial in The Michigan Farmer for October 2 says: "Eleven Michigan farmers graduated into Master-farmership on September 22, because they passed the rigid qualifications necessary to attain that honor. Thus they became the first in this State to gain what might be termed the M.F. degree in the school of experience. Why shouldn't there be degrees and honors available outside of academic lines? Life itself is a school in which we all learn, but some learn more readily than others. And to those who can learn and apply what they have learned, the rewards should go. The success of these Master Farmer 'graduating exercises' was even greater than those closely connected with the event thought possible. Many men, prominent in public life, came to the banquet with a vague idea of what the thing was all about. All went away enthusiastic over the possibilities of the Master Farmer movement. Nothing was more convincing as to what this movement might mean than the 'graduates' themselves. A look at this group of men easily convinced one that they were masters in wresting success from the soil, and from life itself. Their modest and pointed responses upon the receipt of the honor were the events of the evening. These Master Farmers have already organized so that they may work collectively in behalf of the advancement of farming in Michigan. The spirit in which they have taken this honor, and the inspiration they have received from it assures one that the Master Farmer movement will be, as President Butterfield has said, a new chapter in Michigan agriculture."

Rail and Motor Transport It has been stated that one of Great Britain's railway companies is working out details of a scheme to recover at least a part of the in Britain freight traffic which has been lost to motor transport. According to advices just received by Bankers Trust Company of New York from its British information service the plan is to provide manufacturers with door-to-door facilities on a larger scale than heretofore attempted, and at a cost lower than that of road transport. British traffic experts are said to fear that the scheme has come too late to be of value because the motor-van has already secured a very strong hold; and because the railways can not handle hundredweights cheaply and make a profit.

Swedish Co-
operatives

An editorial in The New York Times for September 30 says: "The Swedish Cooperative Federation, which now includes 315,000 families in its membership--more than one-fifth of the total population of Sweden--began as a distributive concern, pure and simple, but of late it has entered the field of production. Its general policy has been to engage in production only where it could most benefit its members. At the annual congress held this summer in Stockholm, Premier Ekman said that

the showing of the cooperative movement was an 'impressive contribution to Sweden's economic life.'It began with the margarine industry, where prices had been controlled for years by an agreement among manufacturers. This being the workingman's butter, its cost was of concern to large numbers. After the price had been forced down by the establishment of what is now Sweden's largest margarine plant, the cooperatives next took up bread, where, again, the price of flour was controlled by a combination of mill owners. Now two great cooperative mills have been able to check the raising of prices....It has, in addition to these basic industries, several bakeries, a savings bank, fire and life insurance societies, meat markets, packing plants and cold-storage houses. It also manufactures certain household chemicals. It publishes a weekly newspaper, having the largest circulation in the country, as well as books on economic subjects, and maintains a special school for the training of its employees. Besides, it has a 'chain' of 2,200 retail stores.This favorable showing is doubtless due to the relatively small total output of these several industries, to the homogeneity of the artisan and peasant population, to their acceptance of a uniform regimen, and to the employment of skilled and trustworthy management, with workmen of a high general average of intelligence....It is not to be inferred that such a system can be safely adopted in other countries. Even in Sweden the experiment needs to be tested by time--by periods of depressed as well as prosperous economic conditions. But it is an experiment which all the world will do well to watch."

Section 3
MARKET QUOTATIONS

Farm Products Oct. 6: Top price of hogs at Chicago \$14 while bulk of sales at \$11.90 to \$13.85.

Maine sacked Cobbler potatoes at \$2.25-\$2.65 per 100 pounds in eastern cities; bulk stock \$1.70 f.o.b. Presque Isle. Virginia yellow sweet potatoes \$2.25-\$3 per barrel in leading markets. Tennessee Nancy Halls steady at \$1-\$1.20 per bushel hamper in the Middle West. New York Elberta peaches \$1-\$1.50 per bushel basket in terminal markets; 70¢-90¢ f.o.b. Rochester. Red Fall variety apples 75¢-\$1.25 per bushel basket. Eastern Grimes, Wealthys and Greenings sold mostly around \$2.50-\$3 per barrel in distributing centers. Illinois Jonathans \$4.25-\$4.50 in Chicago.

Butter prices quoted on 92 score: New York 46 1/2¢; Chicago 45 1/4¢; Boston 46 1/2¢; Philadelphia 47 1/2¢.

Closing prices at Wisconsin primary cheese markets: Single Daisies 23 1/4¢; Longhorns 23 1/2¢; Square Prints 24 1/2¢.

Average price of Middling spot cotton in 10 designated markets declined 9 points, closing at 12.80¢ per lb. October future contracts on the New York Cotton Exchange declined 14 points, closing at 13.52¢ and on the New Orleans Cotton Exchange they declined 9 points, closing at 13.15¢.

Grain prices quoted: No.1 dark northern Minneapolis \$1.40-\$1.53 No.2 red winter St.Louis \$1.43. No.2 yellow corn St.Louis 83¢. No.3 yellow corn Minneapolis 76¢. No.3 white oats St.Louis 44¢. Minneapolis 41¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads	Average closing price	Oct. 6,	Oct. 5,	Oct. 6, 1925
	20 Industrials	153.99	154.86	145.11
	20 R.R. stocks	116.74	117.67	101.46
(Wall St. Jour., Oct. 7.)				

DAILY DIGEST

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Vol. XXIII, No. 7

Section 1

October 8, 1926

ARMOUR COMPANY The Associated Press to-day reports: "The Armour Grain Com-
WOULD STOP pany asked the District of Columbia Supreme Court yesterday to pre-
HEARING vent a hearing ordered for October 11 at Chicago on complaint that
the company had been guilty of violating the Grain Futures Trad-
ing Act. The complaint, issued by Secretary Jardine, charged that
the company had mixed screenings with rye and had caused to be reported as
part of the regular elevator stock at Chicago a quantity of rye graded as de-
deliverable on futures contract which was not of such grade. The company's suit
asks an injunction against the commission created by the Grain Futures Act,
which includes Secretary Jardine and the Board of Trade of Chicago."

FARM LOAN The Federal Farm Loan Board has extended a \$30,000,000 cred-
BOARD AIDS it to cooperative marketing associations that have been hit hard
COTTON by the slump in cotton prices. Chairman Williams of the board, in
announcing this action yesterday, said cooperatives already had
applied for \$7,000,000 credit and it was anticipated that addition-
al credit would be required. The money will be made available through the in-
termediate credit banks and will be used in the marketing of this year's cotton
crop...."

COTTON WITH- A Los Angeles dispatch to the press to-day says: "A pro-
DRAWAL URGED posal that bankers of southern cotton-growing States adopt the
AT BANKERS' policy of Texas bankers in financing a withdrawal of 1,000,000
CONVENTION bales of cotton from this year's market to stabilize prices was
made yesterday to a group of southern bankers attending the con-
vention of the American Bankers' Association at Los Angeles.
W. W. Woodson, of Waco, Texas, presiding, explained that Texas bankers al-
ready had agreed to finance storage of 1,000,000 bales of the Lone Star State's
crop. He asked the bankers of other States present to finance the withdrawal
and storage of an additional 2,000,000 bales to aid market conditions. The
matter was taken under advisement."

SOUTH CAROLINA A Columbia, S.C., dispatch to-day says: "The South Carolina
MEN URGE Bankers' Association approved yesterday a program calling for with-
COTTON RE- holding 1926 cotton from the market and reduction of acreage in
DUCTION 1927 as necessary steps to meet the situation resulting from the
present low price, and calling on the banks of every Southern
State to adopt similar programs. Resolutions adopted at an ex-
traordinary session of the association held here pledged the bankers to loan
eighty per cent of the market price of properly warehoused cotton, and to de-
cline to finance any farmer who will not agree to reduce his 1927 acreage by
at least twenty-five per cent. The resolution also urged that efforts be made
by the bankers to encourage development of a 'well balanced and diversified
agriculture.'"

Section 2

by Eric Englund

Banks and Nation's Business for October presents an extensive article/en-
Farmers' titled "The Bank's Part in the Farmer's Trouble." By way of preface.
Troubles the Editor of Nation's Business says: "Not long ago, in an informal
discussion of the farm problem, David F. Houston remarked that the
banking situation in the distressed agricultural sections and the ac-
tivities of the banks had never been adequately studied and present-
ed. Coming from Mr. Houston--a former Secretary of Agriculture and
a former Secretary of the Treasury--this statement had a peculiar
significance....Mr. Englund talked with farmers, bankers and State
banking officials...." Mr. Englund proceeds: "It may be well to
point out that farmers were not the cause but the victims of the land
speculation which carried land values in some regions up to impossi-
ble heights in 1919 and 1920. The land boom was nourished mainly
by business men and bankers in the country towns."--Secretary of
Agriculture, Howard M. Gore, Report to the President, 1924. This
statement challenges attention. Its strength lies in the fact that
it seems to be substantially correct. It lays the blame for a large
part of the farmer's post-war troubles on the bankers. Records of
banking operations, the testimony of many bankers, farmers and
business men in the Middle West, and published observations of stu-
dents of economics support it. What part did bankers and banking
play in boosting the farmer to that dizzy precipice of inflation
from which he fell in 1920? In attempting an answer, the above
quotation must be considered and qualified in the light of general
economic conditions just before and during the boom period of
1919-20, and in relation to the public policy in local banking. The
recent war set in motion economic forces that created a general
business optimism. As all other great modern wars, it brought its
financial companion--inflation. Prices the world over rose beyond
all experience of this generation and we mistook the war-created
boom for the birth of an indefinite era of prosperity....A plan for
permanently safer and better banking in the Middle West calls for
something more substantial than 'temporary relief' by legislative
stimulus to farm prices. An effective program should have three
main parts: first, a safer economic system in the West, which
would include greater diversity in agriculture and more local in-
dustries; second, better banking laws to prevent the organization
of an excessive number of small banks, and to give the banking
departments more authority and resources to perform their regu-
latory functions, and, third, a higher professional standard in
banking, the development of which lies largely with the bankers
themselves...."

Britain's Food Supply An editorial in The Field (London) for September 23 says:
"....Industrial Britain has, perforce, to buy foodstuffs exten-
sively, and it is well that the Dominions and Colonies, which
are our best customers for manufactures, should be encouraged
to supply our needs....But the governments of the Empire can help.
For instance, further technical research into the problems of cold
storage is needed if Australia, New Zealand and South Africa are
to compete more effectively with the Argentine in the supply of
chilled beef. At the present time they can not ship beef to
Britain in other than a frozen condition on account of the distance.

With more generous provision made for research, ways may be found to extend commercially the period of chilling and so overcome this handicap. It is satisfactory to note that 25,000 pounds has already been allocated for research work to be carried out at Cambridge on cold storage problems. The Argentine has great climatic advantages over Australia, and, furthermore, she now has fine herds of beef cattle built up by the consistent use of well-bred sires from Britain--in the main pedigree Shorthorns. All these factors make the chilled beef from the River Plate far more sought after than the frozen product from Australia. The Imperial Economic Committee recommends that a portion of the annual grant of 1,000,000 pounds should be used to defray the cost of transporting pedigree breeding cattle, sheep and pigs from the United Kingdom to other parts of the Empire. This proposal is assured of general approval....Most of Britain's imported mutton and lamb comes from New Zealand, and no one can have anything but admiration for the efficient way in which our markets are supplied. Australia has, so far, specialized in raising sheep for wool rather than for meat, and in South Africa, too, the merino clip is the dominant consideration with the sheep farmer. Coming to the pig, it is perturbing to find that our bill for imports is growing by leaps and bounds. The Englishman is very fastidious about his rasher of bacon at breakfast, and catering for this taste Denmark has been able to establish almost a monopoly of the trade in first-class bacon....Britain now imports fruit at a cost of some 50 million pounds a year, and in the last twenty years the value of our fruit imports has increased at nearly three times the rate of the imports of breadstuffs. Yet the Briton eats much less fruit than the American. It appears that more than three-quarters of our imports of fruit come from foreign countries and less than one-quarter from within the Empire. The committee's last report deals with dairy produce. It should stir the least imaginative to read that the grasslands of the Empire support 200 million cattle and 200 million sheep. The position of dairying in the Empire may be summed up by saying that the United Kingdom provides its own fresh milk; that the home production of butter is relatively small--one-sixth of the consumption; that the overseas Empire at present supplies us with more butter than foreign countries, but that countries with low standards of living, such as Siberia and the Baltic States, are now preparing to place large quantities of cheap butter on the market; and finally, that the cheese requirements of the United Kingdom are met to the extent of over 90 per cent from within the Empire...."

European
Cotton
Orders

Theo. H. Price, writing in Commerce and Finance for October 6, says: "The most important cotton news of the week is the receipt of European cables which indicate that upon the basis of present prices some Continental spinners are willing to buy at least part of the cotton that they will require for the next five years. Purchases of this sort for two or three years ahead were not unusual before the war when cotton was abnormally cheap, and the fact that the long-headed merchants and manufacturers of the old world are now willing to contract for at least a portion of the raw material that they will require up to 1931 is evidence that the market has at last reached a level that is attractive to the conservatives...."

Fisher on
Dollar Rate

A Providence, R.I., dispatch to the press of October 7 says: "The dollar to-day is worth only 68 pre-war cents, Dr. Irving Fisher

of the economics department of Yale University declared October 6 in an address before the convention of the American Grocery Specialty Manufacturers. 'People who do not really want to be humbugged must not accept the dollar at its face value. They must translate it into purchasing power before they can properly compare figures,' he added. 'Our unstable dollar has picked the pockets of the bondholder for the benefit of the stockholder. When prices are rising the stockholder wins from the bondholder, and when prices are falling the bondholder wins from the stockholder. The bondholder's "steady income" is a delusion and a snare, so long as we do not stabilize our dollar.'

Home Building—The Bureau of Labor Statistics of the United States Department of Labor has just completed the compilation of data relating to building permits issued during the first six months of 1926, in 78 cities each of which had a population of 100,000 or over, according to the Census Bureau estimate of July 1, 1925. In these 78 cities with an estimated population of 31,577,223, permits were issued for new housekeeping dwellings to accommodate 207,231 families in the first half of 1926. This is at the ratio of 65.6 families per 10,000 of population. The average per capita expenditure for new housekeeping dwellings in this six months' period was \$28.43. Nine of these cities provided housing for 100 or more families to each 10,000 of population, Los Angeles leading with 177.9. New York City provided for 67,944 families or at the rate of 114.7 families to each 10,000 of the city's population. Other cities with ratio of more than 100 families to each 10,000 of population are San Diego, Calif., 157.1; Houston, Tex., 125.1; Yonkers, N.Y., 144.8; Detroit, Mich., 116.9; Dallas, Tex., 108.4; Portland, Oreg., 102.7; and Oakland, Calif., 101.2. The largest per capita expenditure for new dwellings was shown in Yonkers, where \$100.81 was spent. Other cities showing a per capita expenditure of over \$50 for new housekeeping dwellings were Los Angeles, \$56.41, New York, \$52.36, and Washington, \$50.21.

Section 3

Department of

Agriculture

An editorial in Farmstead, Stock and Home for October 1 says: "After the delegation from the spring wheat States had finished presenting their case, for the retention of a foreign material and dockage tester that reflects accurately the results obtained in commercial cleaning, Secretary Jardine asked: 'Why was the order throwing this tester out given?' The reply was: 'Mr. Secretary, that is your question.' His answer was a prompt cancellation of the order. We were given to understand, however, by Mr. Besley, of the Federal Grain Division, in the interests of uniformity in the various Federal inspection offices, the old method of testing might be retained, and cases of differences between Minnesota and Federal inspection departments, would be adjusted as they arise. We wish Mr. Besley much joy and peace of mind in carrying out this policy, but have our doubts as to his getting it. He is of the opinion that a difference in grade by the two methods will not show up in more than 5% of the cases inspected. The Minnesota people think the percentage will be as high as 25. We believe a great advance has been made in the solution of the problem of determining the grades on the basis of so-called 'inseparable material' other than dockage, has been made, notwithstanding the bitter opposition of the Federal inspection department.

"In closing our interview, Secretary Jardine said: 'In handling this matter of spring wheat grading, the farmer should in all cases be given the benefit of the doubt.' We believe the Secretary is sincere in this. He admitted knowing nothing about the issuance of the order, explained that in an organization as large as the Department of Agriculture, it is impossible for one man to have all the details in hand, that much administration must be left to the discretion of department heads and errors of judgment were bound to be made. This is very true, and Secretary Jardine seems inclined to upset the old custom of standing by errors through the fear that admission and correction will lower the prestige of the department. If our estimate is correct, that 25% of the spring wheat will be raised on the average a grade and a half by the universal use of a better method of testing, it means a difference of nearly \$3,000,000 a year to the spring wheat growers."

Section 4

MARKET QUOTATIONS

Farm Products Oct. 7: Livestock quotations at Chicago: Top price on hogs \$14.05, bulk of sales \$11.75 to \$13.85.

Maine sacked Cobbler potatoes \$2.25-\$2.75 per 100 pounds on eastern markets; bulk stock \$1.70 f.o.b. Presque Isle. Northern sacked Round Whites \$2-\$2.45 on the Chicago carlot market; and sold at \$1.90-\$2.15 f.o.b. Virginia yellow sweet potatoes \$2.25-\$3.25 per barrel in terminal markets; \$1.85-\$2 f.o.b. Tennessee Nancy Halls firm at 90¢-\$1.15 per bushel hamper in the Middle West. New York Elberta peaches \$1-\$1.75 per bushel basket in distributing centers; 85¢-90¢ f.o.b. New York Wealthy apples 75¢-\$1 per bushel basket in the East. Illinois Jonathans \$4.50 and Illinois Grimes \$4-\$4.25 in Chicago.

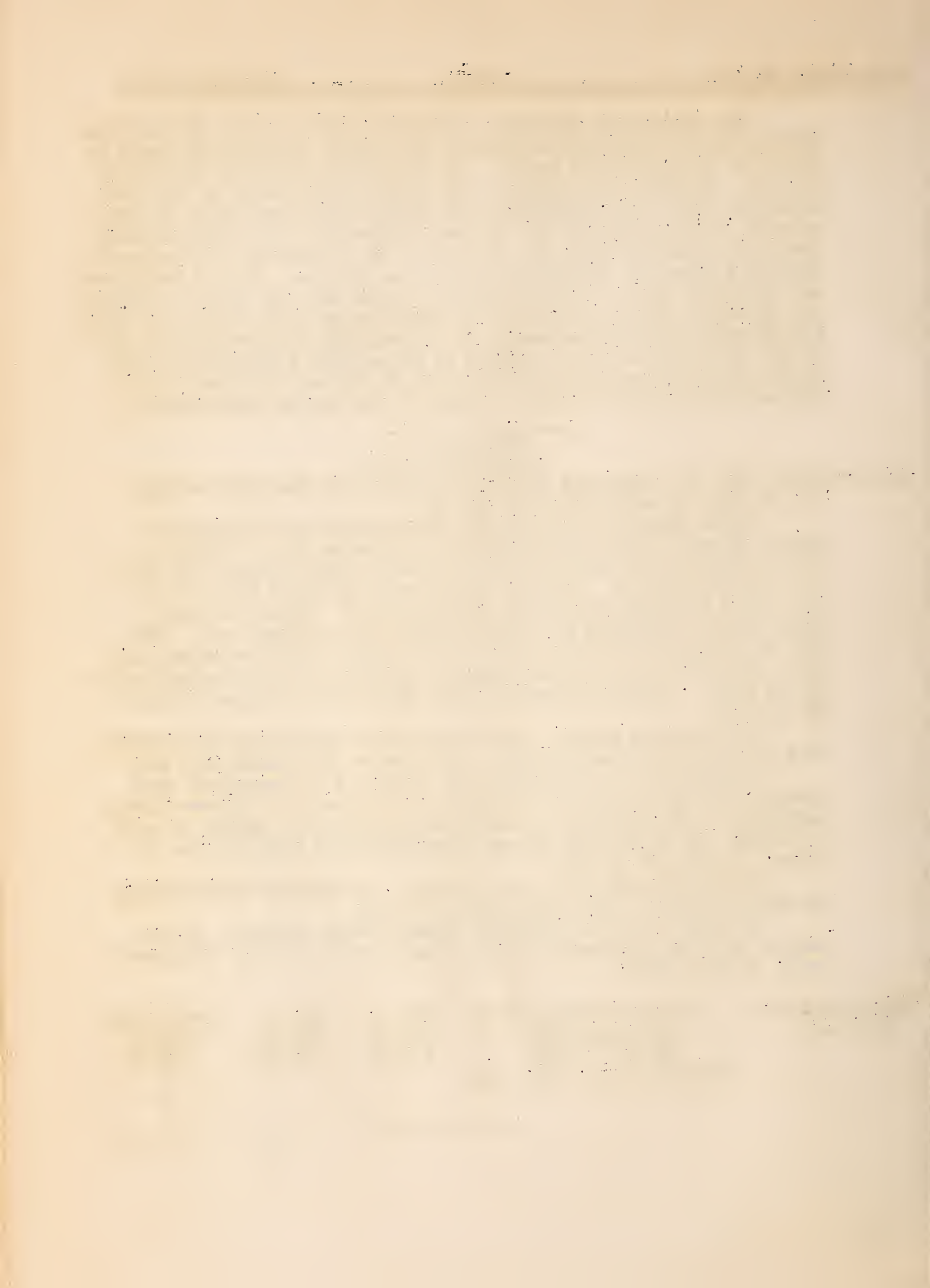
Grain prices quoted: No.2 hard winter Kansas City \$1.34-\$1.39. No.2 yellow corn Kansas City 80¢. No.3 white oats Kansas City 44¢.

Average price of Middling spot cotton in 10 designated spot markets declined 15 points, closing at 12.65¢ per lb. October future contracts on the New York Cotton Exchange declined 9 points, closing at 13.43¢, and on the New Orleans Cotton Exchange they declined 16 points, closing at 12.99¢.

Closing prices on 92 score butter: New York 46 1/2¢; Chicago 45 1/2¢; Boston 46 1/2¢; Philadelphia 47 1/2¢.

Closing prices at Wisconsin primary cheese markets: Single Daisies 23 1/4¢; Longhorns 23 1/2¢; Square Prints 24 3/4¢. (Prepared by Bu. of Agr. Econ.)

Industrials and Railroads	Average closing price	Oct. 7,	Oct. 6,	Oct.7,1925
	20 Industrials	152.50	153.99	145.10
	20 R.R. stocks	115.96	116.74	101.36
(Wall St. Jour., Oct. 8.)				



DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 8

Section 1

October 9, 1926

THE PRESIDENT

CONFERS ON COTTON The press to-day reports: "Announcement by the Department of Agriculture Oct. 8 that this year's cotton crop would be 16,627,000 bales, the largest in history, was made while President Coolidge was discussing means to prevent a panicky condition developing among the growers and causing serious consequences. After a conference with Secretary Mell and Secretary Jardine, the President declared there was no need for worry by cotton growers, because credit and warehouse facilities would protect them.

"Senator Robinson of Arkansas, Democratic floor leader, conferred earlier with the President yesterday and urged immediate credits to the cotton growers. He declared that the present condition has been brought about somewhat by an overestimation by the Div. of Crop Estimates, and that he would lay the matter before Congress and attempt to amend the law authorizing future crop estimates, or, perhaps, move to abolish this function entirely. It was after this that the President consulted with Cabinet members and was told that there were plenty of warehouse facilities and that the land banks had already extended \$30,000,000 credits to the cotton growers. This credit will permit storage and holding of crops until the market becomes more stable.

"The President is of the opinion that American cotton growers are in a strong position. There is a carryover of about 5,000,000 bales and about 7,500,000 bales surplus in the present crops, he estimated. Warehouse and credit facilities, he believes, amply protect the cotton producer in the present situation and that these, if used, will prevent losses and the forced selling of cotton in the present market. Meanwhile the Government and producers would do everything possible to coordinate these facilities, he said, and bring stability to the present market.

"Following his conference with the President, Senator Robinson issued a formal statement. In this he mentioned the necessity of extending \$20,000,000 credits to the cotton men, a move made October 7 by the Government and announced yesterday....."

THE NEW YORK MARKETS

The New York Times to-day says: "Announcement by the Agriculture Department that the coming cotton crop would be of record size undermined prices on the New York Cotton Exchange and the New York Stock Exchange. Cotton traders had expected that the estimate would be large, but all expectations were exceeded by the announcement. When trading was resumed on the Cotton Exchange, after the Government's figures were announced, prices dropped \$4 a bale to the lowest levels reached since 1921. Later, however, a reassuring statement by Secretary Jardine, buying by manufacturers and short covering brought about partial recoveries and reduced net losses for the day \$2 to \$2.50 a bale. A similar recovery was staged on the Stock Exchange. United States Steel and General Motors were among the leading issues that weakened after the announcement, but these and other issues rallied in the later tradings."

Section 2

Banking
and Farm-
ing

An editorial in The Nation's Business for October says: "Professor Englund's article in this issue of the Nation's Business on 'The Bank's Part in the Farmer's Trouble' (quoted in Daily Digest of October 8) brings out clearly a new aspect of the agricultural situation--not only in the Corn Belt but throughout the country--the responsibility of the bank to the borrower. The responsibility of the bank to its depositors, stockholders and those whose money it lends is clear. But the responsibility of the bank to the borrower looking not only at the future welfare of the borrower but also at the future welfare of the community is not so clearly recognized. In times of prosperity and easy money, the careful, experienced and conservative banker who has been the backbone of the solid growth of this country loses much of his influence to check unsound inflation. The inexperienced banker and the new banks founded in times of plenty, looking primarily to easy profits and not to community welfare nor to the ultimate good of the borrower are contributors to periods of inflation. There is great pressure by would-be borrowers, who have been unable to secure loans from the careful bankers, for the formation of new banks. The situation is not new--it merely has again been brought into high relief by Professor Englund. For the benefit of the community, for the protection of proper banking and of the able bankers--most of whom have successfully ridden the great wave of agricultural depression in the Middle West--we should recognize and encourage the banker who recognizes his responsibility to the community--and his great responsibility to the borrower."

European
Steel
Combine

Commerce and Finance for October 6 says: "There is considerable talk of the newly-formed Franco-Belgian-German-Luxembourg steel combination being a move in the direction of a European Pax Economica. It would be more convincing were it not so obvious that the motive of the organizers is the domination and control of an essential industry. That objective, domination and control, has heretofore been the breeder of strife rather than of harmony. Fortunately 'the best laid plans o'mice and men gang aft agley,' and general good is likely to come of the combine regardless of the motive of its organizers. The merger, under existing circumstances, is a necessity. It appears to be the only practicable way in which a natural economic unit can be reunited--the only method by which the trade barriers of the nations concerned can be successfully and profitably surmounted or bridged and the coke and coal industry of the Ruhr brought into cooperation with the iron and steel industry of Lorraine. It may, therefore, be a valuable advertisement of the futility of international trade barriers and the desirability of a European customs union or zollverein, for which the German Ministry of Economics has already made a plea. It is not to be doubted that the combine will seek to reserve for itself the steel markets of the Continent, to the exclusion of the United States and British steel, if the British stay outside. Doubtless also it means the more strenuous competition of Europe for South American and other foreign steel markets, in which American and British producers may have to exert themselves. Austria and Czechoslovakia, perceiving this, now seek to be included in the combine...."

Farm Legislation An editorial in *The Field* (New York) for October says: "Farm legislation, which will give financial aid and be of permanent benefit to the industry is not yet in sight. The farming interests of the country are not in agreement as to the kind of legislation necessary. Even in the Central West, which is the hub of our national agriculture, there is conflict of opinion which expresses itself in the doubts and expedient acts of our lawmakers. The consumer, while sympathizing with the farmer, is not an ardent champion of his cause, because it is difficult for him to reconcile the farmer's claims of no profit, with the high prices which he pays for farm products. He reasons that if financial legislation will help the farmer without increasing his taxes, he is for it, though he does not understand why all the farmer's profits should go into the coffers of the middleman. On the other hand, he is unalterably opposed to any sort of legislation that will add to his financial burdens. He pays enough! The farmers of the country are, in fact, facing a situation which can only be righted by a readjustment of their methods of doing business. When the farming interests of the country are properly organized, when leaders of the industry can get together and think together for the good of the industry and the country, they can demand what they want and get it. Improved transportation facilities--the railroads, and central highways--are fast making possible cooperative agreements. Farm prices to the consumer are fairly stable. The farmer knows this. He is in close touch with the market. The radio supplies him with the quotations every night. He charges, at least in this section of the country, the same price for vegetables at his door, as the retailer charges--and he gets it without complaint. This applies more particularly to garden truck but it can be made to apply to all farm products. What the farmer needs is the central distributing plant, the organization to act as a unit on questions of policy and price and a thorough-going practical method of growing and handling his crops. There may be need of farm relief in the present emergency, but nothing of permanent benefit will accrue from it unless the farmers of the country join hands as men in other industries and occupation have, to husband their resources, work economically, think economically, and so adjust their crop schedules so as to keep the supply within reasonable accord with the demand. Then will they enjoy the full fruits of their labor."

Forest Taxes An editorial in *The Nation's Business* for October says: "Just taxation is one of the means of preserving our present supply of forest products. Five States, Washington, California, Minnesota, Wisconsin, and Louisiana, will vote in November on Constitutional amendments to permit taxing forests equitably and scientifically. This usually takes the form of a 'yield tax.' If the growing of crops of trees could be put on a sound business basis, the Nation could face its forestry problem with confidence. Forty per cent of the Nation's original forests remain standing as a reserve. In addition, there are millions of acres, most of them cut-over forest lands, capable of producing forests. The core of our forestry problem is to get these millions of acres at work producing forests at as early a date as possible. To set private enterprise to work on these millions of acres taxation must be fair. The general property tax provided for in most State constitutions is levied each year. When this is applied to forests, it piles up a burden, year by year, draining

the owners' resources during the long non-income-producing periods, forcing the premature cutting of timber without regard to market conditions, and discouraging the cultivation and growing of a second crop. The 'yield tax' would collect the bulk of the tax when the timber is ready to be harvested....A forest, after all, is only a long-lived agricultural crop. If the farmer were obliged to pay a tax every day on his growing wheat crop, it would be analogous to the ordinary system of taxing forests. Our forests can be renewed, thereby differing from other natural resources such as coal, iron, oil, etc., but before we can have an extensive industry engaged in the process of forest renewal, the risks and discouragements of this long-time investment must be minimized. The public which insists that it must have an ample future supply of wood products must also insist that those engaged in providing that supply are not discriminated against. A few States, notably New York and Michigan, have blazed the trail in the matter of fair taxation, and it is hoped that others will follow their lead."

Fruit Pro- The American Fruit Grower for October quotes Tennessee Horticulture as follows: "Fruit growers must keep in mind that the margin between cost of production and the sale price is very slim during years of record production. The cost of production is now history. The money has been spent whether efficiently or not. The only items of cost that can be reduced now are the cost of picking, grading, packing, transporting and selling. Some of these costs are already fixed more or less. For instance, the prevailing wages do not vary much and the cost of the package is constant for the season, yet the grower does not know what he is going to get for his product....What fruit growing and agriculture need is the stabilization of prices, not necessarily the fixing of prices. How could railroads bond themselves for huge sums if the bankers did not know in advance that they would be given a standard price per ton a mile for hauling the various commodities? If agricultural prices were stabilized, bankers would gladly finance farmers, but since the surplus sets the price of so many farm products, the risk is not safe. An orchard is the hardest thing in the world to get a loan on because if neglected for three years it merely reverts back to land so far as earning power is concerned. Depreciation is swift and final. Can you blame the bankers?...."

Section 3

**Department of
Agriculture**

An editorial in Farmstead, Stock and Home for October 1 says: "When the Agricultural Department began issuing its 'intention to plant' reports we doubted their utility. Last fall, when the report of intentions of the winter wheat growers appeared, it indicated a very large increase of acreage, but when the figures of actual seeding came out, they showed that instead of an increase a decrease from the previous year had been made. This may have been accidental. It is not scientific to depend on an isolated fact. Apparently the winter wheat growers realized the prospective increase would produce too much, and the price would be lowered, so instead of increasing a good many decided to either seed the same acreage, or less. It is now reported by the department that intention of the winter wheat growers is to seed 45 million acres. This is a war time acreage and should, on a ten year average of abandonment and yield, produce 617 million bushels, or on the basis of this year's crop, 748 million, which with an average spring

wheat yield, would give us over a billion bushels of wheat, and an exportable surplus of 400 million - at least 150 million more than we could hope to sell unless there should be a crop failure in all the other wheat raising countries. The actual figures of seeding will have a great bearing on the possibilities of controlling acreage. If it again appears that winter wheat area actually decreases, or even increases very slightly, it will indicate a long step forward toward adjusting acreage, by the issuance of these intention reports."

Section 4

MARKET QUOTATIONS

Farm Products Oct. 2: Livestock quotations: Top price of hogs at Chicago \$13.90 while bulk of sales were at \$11.75 to \$13.85.

Maine sacked Cobbler potatoes around \$2.65 per 100 pounds in eastern cities; bulk stock \$1.85 f.o.b. Presque Isle. Northern sacked Round Whites \$2-\$2.40 carlot sales in Chicago; \$2-\$2.25 f.o.b. North Central points. New York yellow variety onions \$1.50-\$1.75 sacked per 100 pounds in eastern markets; mostly \$1.30-\$1.35 f.o.b. Rochester. New York Elberta peaches \$1-\$1.50 per bushel basket in leading markets; 85¢-90¢ f.o.b. Rochester. Michigan Elbertas \$1.35-\$1.50 in Chicago. New York Wealthy apples \$3-\$3.25 per barrel in New York City with Northwestern Greenings at \$2.75-\$3. Michigan and Illinois Jonathans \$1.50-\$1.65 per bushel basket in Chicago.

Closing prices at Wisconsin primary cheese markets: Flats 23 1/4¢; Twins 22 1/4¢; Single Daisies 23 1/4¢; Double Daisies 23 1/4¢; Longhorns 23 1/2¢; Square Prints 24 3/4¢.

Closing prices on 92 score butter: New York 46 1/2¢; Chicago 45 1/2¢; Philadelphia 47 1/2¢; Boston 46 1/2¢.

Average price of Middling spot cotton in 9 designated spot markets declined 49 points, closing at 12.19¢ per lb. October future contracts on the New York Cotton Exchange declined 50 points, closing at 12.93¢ (New Orleans not received) (Prepared by Bu. of Agr. Econ.)

Industrials and	Average closing price	Oct. 8,	Oct. 7,	Oct. 8, 1925
Railroads	20 Industrials	153.39	152.50	146.75
	20 R.R. stocks	116.68	115.96	101.64

(Wall St. Jour., Oct. 9.)

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1917
The following is a list of the names of the persons who have been elected to the office of the President of the United States since the year 1789.

George Washington
John Adams
Thomas Jefferson
James Madison
James Monroe
John Quincy Adams
Andrew Jackson
Martin Van Buren
Millard Fillmore
Franklin Pierce
Abraham Lincoln

Andrew Johnson
Ulysses S. Grant
Rutherford B. Hayes
James A. Garfield
Chester A. Arthur
Grover Cleveland
Benjamin Harrison
William McKinley
Theodore Roosevelt
Woodrow Wilson
Warren G. Harding

Calvin Coolidge
Herbert Hoover
Franklin D. Roosevelt
Dwight D. Eisenhower
John F. Kennedy
Lyndon B. Johnson
Richard M. Nixon
Gerald R. Ford
Jimmy Carter
Ronald Reagan
George H. W. Bush

Bill Clinton
George W. Bush
Barack Obama
Donald Trump

DAILY DIGEST

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Vol. XXIII, No. 9

Section 1

October 11, 1926

THE PRESIDENT The press of October 10 reports: "President Coolidge
APPOINTS COTTON October 9 appointed a special Federal commission to aid the
BOARD cotton growers in overcoming their difficulties brought about by
the recent decline in the price of their product. The commission
consists of Eugene Meyer jr., managing director of the War Finance
Corporation, and Secretaries Mellon, Jardine and Hoover. Their appointment fol-
lows the decision of the Government to extend \$30,000,000 in credits to the
southern planters. The statement issued at the White House October 9 explained
that the committee would cooperate with those engaged in the production, marketing
and use of cotton and would investigate the market conditions and render such fi-
nancial assistance as could be given by the Government. One of the chief purpos-
es of the commission will be to supplement the efforts being made in the South
through the financial institutions, cooperative organizations and the Federal in-
termediate credit banks...."

BARUCH ADVISES A Columbia, S.C., dispatch to the press to-day says: "The
HOLDING COTTON southern cotton farmer should act immediately to withhold his
cotton from the market and curtail his crop before the present
year's cotton has passed out of his hands, Barnard M. Baruch,
New York financier, said in a telegram sent yesterday to Richard I. Manning,
cotton planter and former Governor of South Carolina. The message was in reply
to one from Mr. Manning. 'If, as you say, the price of cotton is now below the
cost of production,' Mr. Baruch wired, 'the wisest course for a farmer to pursue
is to borrow on his present cotton and hold it and curtail and diversify next
year. What he would have would cost less than what he could procure. This is
probably true of the whole South with the exception of Texas and Oklahoma. If
this could be done cooperatively through the South the whole state of affairs
would change. Whatever is done should be done immediately before the cotton has
passed out of the hands of the farmer.'"

TEXAS COTTON A Waco, Tex., dispatch to-day says: "A law to prohibit the
PLAN planting of cotton two years in succession on the same land was
recommended in a resolution adopted at Waco October 9 by repre-
sentatives of eleven Texas counties who met to consider the cotton
situation. Cotton acreage reduction and soil conservation would be the twin ob-
jects accomplished by such an enactment, delegates said, and C.K. Durham, chair-
man of the conference, declared enforcement of such legislation 'would mean a
new day for the South.'"

COTTON MARKETING The N.Y. Times October 10 says: "Buying of cotton on a scale
the largest in years is a development that some cotton traders pre-
dict will result from the present situation in the field. The in-
dicated record crop and resultant low prices will not only stimulate buying by
manufacturing interests but also by investors, they say...."

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1. The first of these is the fact that the Government has not been able to secure the necessary funds to carry out its policy. This is due to the fact that the Government has not been able to secure the necessary funds to carry out its policy.

Section 2

Cotton and Diversification An editorial in The Wall Street Journal for October 9 says: "In some States of the South the great slump in cotton prices is nearly a tragedy. In others, while it will be felt, yet bankers and business men can look the situation in the face without fear. The difference is all in the farming systems. Never has the one-crop system been more costly and the advantages of diversification more apparent. It may be impolite to name names, but the occasion calls for such treatment. Texas is an outstanding example of the folly of one-crop farming. Blessed as she is with opportunities that, if rightly used, should make her one of the richest agricultural States in the Union, she is now one of the poorest. The one great reason is that for years she has followed the same old rut, of all cotton production....This is not farming, it is agricultural suicide. Nature is now punishing her....The price of cotton has gone below cost of production, leaving the all-cotton farmer with a drab outlook for the future. The reverse of these conditions is to be seen in some parts of other States. A banker at West Point, in eastern Mississippi, told The Wall Street Journal reporter that the cotton slump would be felt, but there was no cause for alarm. A drive over the surrounding country showed on what he based his confidence. There were some farms that were given up to cotton, and the owners this year will be singing their hard luck song. But most of the farms had cotton, hay, all the grains of that region, and on many there were dairy cows, herds of beef steers, and flocks of poultry. 'We are,' said the banker, 'no longer a one-crop section.'...What is the result? Cotton is selling for less than cost of production, but the wheels of business will not stop. No one need go barefoot or hungry except the few one-crop men. The others will live comfortably from their smokehouses and cellars and have other money crops for market. The one-crop men must follow them if they aspire to anything better than poverty."

Cotton Drop and Business An Atlantic City dispatch October 8 says: "The rapid decline in cotton prices has precipitated a serious emergency, and the consequences, unless prices harden quickly, are difficult to estimate, according to J.H.Tregoe, New York executive manager of the National Credit Men's Association....Mr. Tregoe declared that 'taking from the cotton section a spending power of approximately half a billion dollars will be severely felt in the liquidation of existing credit contracts and in buying for future needs.' He held, however, that the credit situation in the cotton district was not strained and could bear this emergency. 'The loss of buying power is the serious side of the matter,' he added, 'and in this loss the whole country will participate.'...."

Cotton Estimates The Journal of Commerce for October 9 says: "On October 1 The Journal of Commerce presented its regular monthly cotton crop estimate which showed an indicated production in the twelve leading States of about 16,678,000 bales, the figure thus announced being the average of the estimates of its regular correspondents made between the 20th and the 25th of September. Just one week later, the Department of Agriculture presented its regular estimate which showed an indicated production of 16,627,000 bales, the figures being based upon conditions as they existed on October 1. Meantime ginning statistics, together with what are known as into sight figures, and all other indications as to the size of the crop have assumed record breaking proportions, and have accordingly served to convince most careful authorities that the

Government was fully justified in raising its estimate of production about 800,000 bales since its previous report made two weeks earlier. They have, indeed, suggested to not a few that the department would have been warranted in raising its estimate still further...."

Grape Trans- F.S.Tisdale is the author of an extensive article entitled "The portation Silent Revolution in Railroading," in The Nation's Business for October. He says in part: "...Well, there were plenty of grapes--in California. All you had to do was to get them to New York, crush out the juice and let the natural fermentation take its course. Wine had to be bought, you might say, on the hoof. Thus instructed, Tony, multiplied by many thousands, began buying California juice grapes. Meanwhile Garibaldi Pompa stayed the hand that would have uprooted the vineyard. Instead of subsiding, the demand for juice grapes became strong, then wild, and ended up in a condition verging on the hysterical. Eastern buyers, legitimate and otherwise, clamored for the fat zinfandels and alacantes. Railroads were besieged for refrigerator cars in which to transport the crop to the thirsty myriads of the East. Thus in an incredibly short time there arose a most difficult transportation and marketing problem. An immense trade sprang into being before any one had time to plan its mechanism. For a time it ran riotously. Wild-catters, doing business on shoe-strings and less, bought crops on promises and sold them if they could. There were not enough refrigerator cars to be had. The ones that were obtainable were rushed into the great markets of the East. Yards became jammed. Tracks could not be cleared. The laws of nature refused to wait for adjustments in supply and demand. In spite of solicitous icings the travel-weary grapes grew feverish. Cars that could not be unloaded became an insult to the eye and nose. Followed many claims for spoilage against the railroads. The carriers came to regard this juice grape trade as a recurring autumnal curse. But these unhappy events are things of the past. The grape question became so insistent that something had to be done. What was done was so effective that as this is written the California crop is rolling eastward with a regularity and orderliness that does credit to a great national product. The working out of the grape problem has been brilliant vindication of a new dispensation in American business. In this revised order of things the different interests use their strength toward the common purpose instead of wasting it in fighting each other. It is a substitution of team-work for tumult. Growers, shippers, railroads and receivers joined together to overcome the difficulties of the grape business.. The real job was tackled by the Carriers and the Shippers' Regional Advisory Boards. To them belongs most of the credit for what has been accomplished....Working with these committees the individual roads and the American Railway Association have brought the transportation system of the United States to a state of efficiency undreamed of a few years ago."

North Carolina The Associated Press of October 9 reports from Charlotte, N.C.:
Cotton "Economic disaster will prevail in the South unless conditions are altered materially before the end of the cotton harvest, in the opinion of C. Singleton Green, secretary of the Southern Yarn Spinners' Association. He believes that the movement to withhold cotton from the market is 'neither feasible nor possible.'... 'Even if it were feasible or possible to hold such a vast amount of cotton from the market, I can not see that it would have a permanent effect on the price. All cotton traders would know of its existence and that it could be dumped on the market at any time the holders chose.'"

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Public Debt Reduction The Bankers Trust Company, New York, to-day says: "The public debt of the United States reached its maximum on August 31, 1919, when in round figures, it stood at \$26,594,000,000. On June 30 of this year the gross debt was \$19,643,000,000, a reduction of \$6,951,000,000. It probably will surprise some of our readers to know by how many different methods this reduction of our public debt has been accomplished. A study of this matter which has just been completed by the bond department of the Bankers Trust Company and published in pamphlet form under the title of 'United States Government Securities' shows that there have been eight different methods of debt reduction, namely: the sinking fund, bonds purchased from payments made by foreign governments in reduction of loans made to them before the formal debt settlements had been arranged, payments made by foreign debtor governments after the debt settlements had been arranged, the use of receipts from estate taxes, purchases made with franchise tax receipts, purchases made with moneys derived from forfeitures and gifts, retirement of debt by use of surplus funds and retirements made from funds derived from reduction in the treasury cash balance. The statistics as published by the Government and reprinted in the pamphlet above referred to show a total reduction from June 30, 1919, at which time the debt was smaller than when it reached its maximum on August 31. The total reduction from June 30, 1919, to June 30, 1926, was \$5,841,290,000...."

Section 3

Department of Agriculture An editorial in The Washington Post to-day says: "Senator Robinson places the responsibility of the sharp decline in cotton prices to

- 1 the selling movement following the cotton estimates given out by the Department of Agriculture on September 16. The department estimated that the cotton crop this season would be 15,810,000 bales. Now it is estimated by the same department that the crop will be 16,627,000 bales. This is about 492,000 bales in excess of the 1914 crop. Senator Robinson holds that Congress should put a stop to these estimates, since they produce panics and cause huge losses to the growers because of the decline in prices following an announcement of an unusually large crop. The Secretary of Agriculture, Mr. Jardine, says that the growers of cotton must bear in mind that the intrinsic value of the cotton is there just the same, despite the drop in price to $12\frac{1}{2}$ and $13\frac{1}{4}$ cents. It would seem from this that he holds the opinion that the decline in price is purely speculative. President Coolidge and Secretary Jardine are of the opinion that the recession in price is only temporary, and that there is ample credit to aid the growers without forcing them to dump the crop on the market at a loss. Obviously, the same situation confronts the cotton growers that confronted the corn growers--over-production. Nothing else in the world can be blamed for the decline in the price of either cotton or corn. Certainly the tariff has nothing to do with this decline in cotton, for there is no import duty on cotton."

- 2 An editorial in The Journal of Commerce for October 8 says: "A somewhat novel objection is now being raised by southern interests to the regular cotton crop reports of the Department of Agriculture. No longer does the argument turn upon the accuracy of the figures presented, but the claim is seriously made that right or wrong the statements of the Department of Agriculture are deeply injurious to the producer. The reasoning is this: Admitted that the crop is a very large one, the farmer could probably sell his output a good deal more advantageously were it

not for the fact that at bi-weekly intervals the Government in Washington is shouting the size of the crop from the house-tops. The case is one in which the least said about the matter the better for the farmer. Most emphatically no publicity is wanted. What would be the refrain if conditions were reversed and the crop was or could be made convincingly to appear abnormally small, it requires no one to rise from the dead to tell us. Now this obviously is about the worst nonsense that has yet been uttered about our official crop reporting service. There can be no doubt about the fact that the farmer and everyone else would be well served by such reports as those the Government furnishes, no matter what the facts were, provided it was possible for the officials at Washington to tell in advance just what the crop is to be. The trouble with these estimates is that they mislead a great deal oftener than they afford accurate information about the actual size of the prospective crop. The time for the farmer to consider carefully the relative merits of an excessively large high cost crop on the one hand and a more normal output produced at smaller unit cost on the other is during the planting season. Once a large crop is made, or relatively certain to be made, there is not a chance that the fact can be kept from buyers. From the way southern interests are now talking one would think that mill men and other consumers were as naive as new born babes."

Section 4

MARKET QUOTATIONS

Farm Products For the week ended Oct. 9: Livestock quotations: Desirable hogs at Chicago generally 10 to 15¢ lower, others mostly 25¢ off. Beef steers show price declines ranging from 75¢ to \$1, cows and heifers weak to 50¢ lower, vealers and calves 25 to 50¢ off and stocker and feeder steers about steady. Fat lambs closed 75¢ to \$1 higher than a week ago, yearling wethers mostly \$1 higher, sheep strong, mostly 25¢ higher and feeding lambs around 25¢ up. New York wholesale fresh meat market is 50¢ lower on steer beef, weak to \$2 lower on veal, steady on lambs to 75¢ lower, light pork loins are firm to \$1 higher and heavy loins \$1 lower to \$2 higher, compared with a week ago.

Potatoes generally stronger. Maine sacked Cobblers mostly around \$2.65-\$2.85 per 100 pounds in eastern cities; northern sacked Round Whites \$1.90-\$2.10 carlot sales in Chicago; \$2.65-\$2.85 in other city markets and \$1.85-\$2.30 f.o.b. Sweet potatoes unsettled. Tennessee Nancy Halls 85¢-\$1.15 per bushel hamper in the Middle West. Cabbage irregular. General jobbing range was \$14-\$25 bulk per ton for domestic type from New York. F.o.b. trading was \$6-\$8 in Rochester. New York Elberta peaches firm at \$1.25-\$1.75 per bushel basket in terminal markets; 80¢-90¢ f.o.b. Rochester. Michigan Elbertas \$1.25-\$1.75 in Chicago.

Average price of Middling spot cotton in 10 designated spot markets declined 48 points during the week, closing at 12.32¢ per lb. On the New York Cotton Exchange October future contracts declined 33 points, closing at 13.07¢ December futures declined 46 points, closing at 12.81¢. On the New Orleans Cotton Exchange October future contracts declined 46 points, closing at 12.62¢. December futures declined 46 points, closing at 12.78¢.

Hay market about steady. Moderate offerings fully equal to trade needs. Good pasturage in the South restricting demand there. Feed market again dull. Wheatfeeds draggy after recent advance and prices tending downward. Cottonseed meal weak and lower. (Prepared by Bu. of Agr. Econ.)

DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 10

Section 1

October 12, 1926.

THE PRESIDENT AND COTTON SITUATION The press to-day reports: "President Coolidge can not see that anything could be accomplished by calling a special session of Congress in November to consider steps in aid of the cotton growers. Urged by Representative E. W. Pou of North Carolina to issue such a call the President holds that Congress can not wisely do anything more for those affected by the depression in the Cotton States than has already been done by the Government....The President realizes that the situation in the Cotton States is serious but feels that the efforts already made by the Government are comprehensive and all that is necessary at this time. In other words, Congress could do little more than would be effective and therefore the President is opposed to bringing Congress, as a whole, together before the regular December meeting. It is understood that in his reply to Mr. Pou's appeal, the President expressed interest in the situation and a desire to aid the cotton producers in every way possible consistent with sound economics....."

BANKERS ON COTTON CONDITIONS A Long View, Wash., dispatch to the press to-day says: "C.A.Fiske, of Amarillo, Texas, president of the Texas State Bankers Association, who, with a large party of bankers, is on a tour of the Northwest after the Los Angeles convention, said yesterday that he had called a meeting of that Association for Oct. 25 at Dall to consider, from the banking standpoint, the problems of the cotton planter. It does not now seem likely that the southern bankers will favor a campaign to take any specified amount of cotton from the market and thus relieve the immediate distress of the planter. They realize that the law of supply and demand is still operative. What they can do and what they will do, they say, is to bring about a restriction of acreage in all parts of the Cotton Belt, which will eventually bring the production of cotton to a point where it will more evenly balance the consumption...."

COTTON MARKETING PROTECTION A New Orleans dispatch to the press of October 11 says: "The pending efforts to check sacrifice of the cotton crop by farmers and others by providing financial aid, in holding back a considerable amount of cotton until the market has had time to absorb the heavy movement up to date, are beginning to show results. The country banks in Texas and elsewhere have offered to advance farmers enough money to meet their pressing necessities, and the Government agencies through the intermediate Farm Loan Banks have agreed to assist cooperative and other well-managed marketing associations in an orderly marketing of the crop. These measures, while holding out some promise of checking the panicky rush to sell cotton in the interior, will not, it is thought, meet the case fully. The cooperatives and other marketing associations handle barely more than 20 per cent of the crop, the greater portion of the South's cotton being handled privately or individually. How to aid the orderly marketing of the 80 per cent of the crop not controlled by the marketing associations is now the difficulty that awaits a solution."

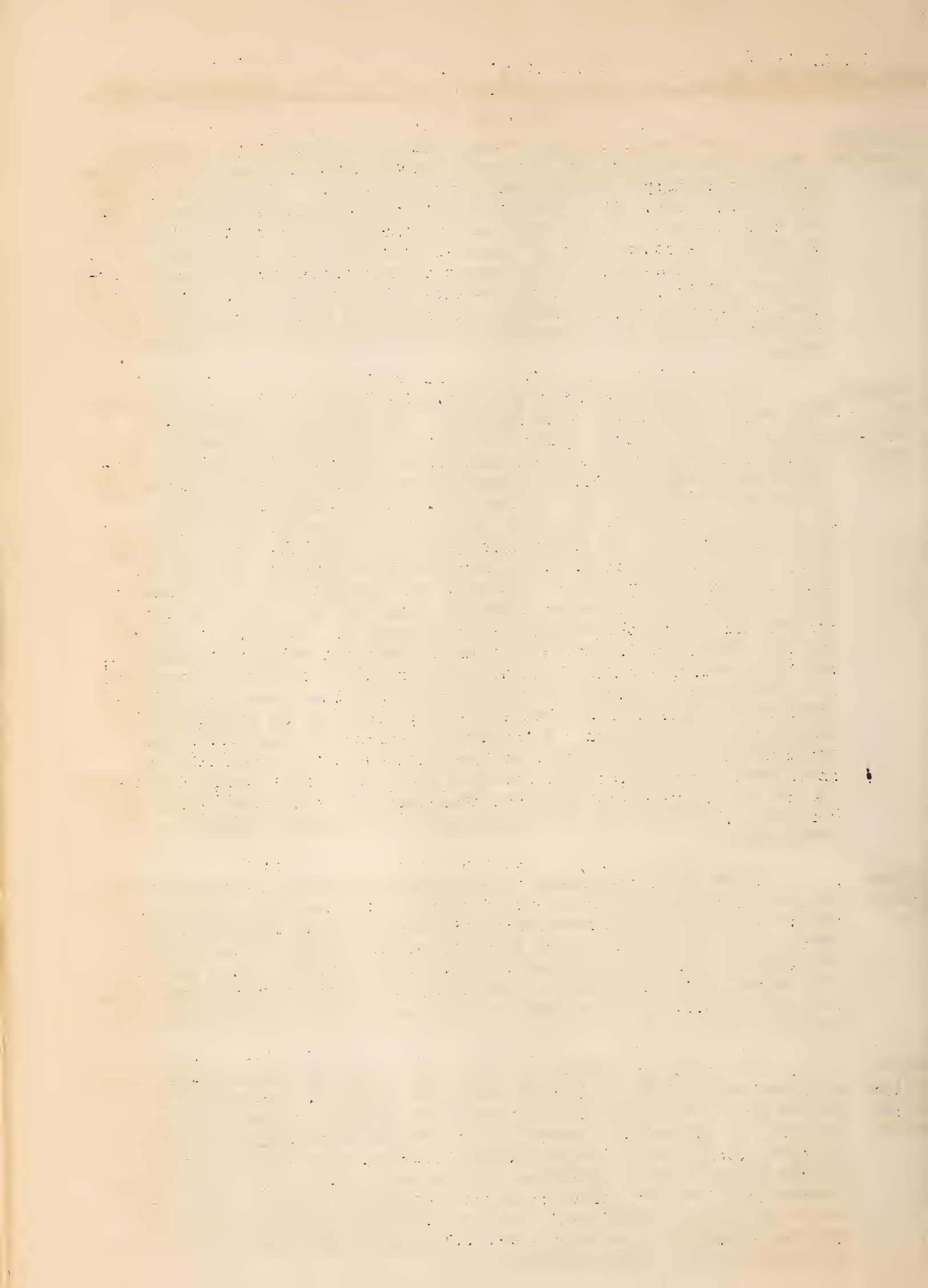
Section 2

Canadian Livestock Pool An editorial in The Nor'-West Farmer (Winnipeg) for October 5 says: "The Saskatchewan livestock pool and hog pool have got together and will henceforth operate under one management. The combined organization will carry on a provincial wide sign-up campaign starting the end of this month. It is expected that enough stock will be signed up to enable the association to handle one thousand cars next year. A feature of the contracts being made is that an amount not exceeding two per cent may be deducted from the gross sales which will be used in acquiring handling, and processing plants. Some funds, too, may be used for investigating the processing and marketing of livestock products abroad."

Chicago Pure Milk Association An editorial in Hoard's Dairyman for October 10 says: "A ray of hope enters the Chicago milk district. The Pure Milk Association, which was formed eight or nine months ago, is making progress. It appears to us as being organized upon the right basis and in the first number of the first volume of Pure Milk there is set forth the following sensible program: '1. Act as a collective bargaining agency. 2. Look up the credit rating of buyers. 3. Cooperate in advertising milk to consumers. 4. Improve the quality of milk through cooperation with the distributors and the Chicago Board of Health. 5. Send out dairy market information. 6. Check up on buyer's weights and tests.' This program is by no means a complete one, but it is sound as far as it goes and they have attempted quite enough as a beginning. We find running throughout their official organ that they emphasize quality and this, we know, is most essential if an organization is to succeed.Undoubtedly, the Pure Milk Association will not grow as rapidly as some other organizations because it is not holding out promise of impossible accomplishments. Its leadership has come from within the membership and it recognizes the laws of business success....If it continues its present course, we have high hopes that the milk producers in the Chicago district will have an organization that can render them the kind of service that has been needed for the past twenty-five or more years."

Cotton Market-ing A New Orleans dispatch to the press to-day says: "That the South has been marketing this crop at an enormous rate was made amply evident by the record-breaking movement of cotton into sight during the past week. According to Secretary Hester's weekly statistics the amount brought into sight for the week totaled 875,150 bales, which is by far the largest week's movement on record. As a result of this heavy movement the world's visible supply of American cotton increased last week 525,000 bales....."

Hoover Advises Cotton Buying The press of October 11 says: "The American cotton spinners have a unique opportunity to acquire long time stocks of raw material at prices which would greatly strengthen the industry, removing panicky cotton from the market, Secretary of Commerce Hoover pointed out in a telegram to Stuart W. Cramer, chairman of the organization committee of the Cotton Textile Institute, at Charlotte, N.C.....If the textile manufacturers of the country take his advice, Mr. Hoover says: 'They would thus place themselves in strong defensive position with their outside competitors and will give the growers possibilities of advancing prices in the export market.'....."



J.F. Essary, London correspondent of the Baltimore Sun, cables from Manchester to the October 11 issue as follows: "The British textile industry, which centers in this city, sees in the overproduction of American cotton and in the heavy slump in the price of that product an opportunity to recover some of the tremendous losses it has lately suffered through the high cost of raw material, on the one hand, and semi-paralysis due to a lack of sufficient coal, on the other. Not only the local press but the London press as well is predicting the return of prosperity to this industry, which for a century has been one of the Nation's basic businesses, but which has had great difficulty in holding its own in the face of terrific American competition, a competition rendered more serious by the proximity of the American mills to the source of raw material supply. The feeling seems to prevail throughout England that this year's huge cotton crop must be marketed at a low figure and that the Lancashire mills must inevitably profit by reason of that fact. No calculation is made, apparently, on the possibility of sufficient credits being extended to enable American cotton growers to hold the bulk of their crop for a fair price....."

Milk and
Bacon
Market-
ing in
Britain

An editorial in Country Life (London) for October 2 says: "In a speech at Ongar last week, Lord Bledisloe called upon British agriculture to organize itself. The warning falls at an opportune time for the past fortnight has seen considerable attention paid to two important agricultural commodities--milk and bacon. At first sight, the present difficulties attending the production of both appear to arise from precisely opposite causes. The dairy farmer has to face a serious drop in price, primarily because too much milk is being thrown on the market. The bacon factories, on the other hand, are in sore straits because they can not obtain from the farms a sufficient number of pigs. But both these circumstances are, in reality, due to a complete lack of regulation of the market. Producers have, as yet, been entirely unsuccessful in correlating their supply with either the extent or the nature of the national demand, and have, in consequence, been at the mercy of those periodic falls in price that must occur whenever supply and demand alone rule the market. With regard to milk, the settlement of prices between the National Farmers' Union and the distributors for the twelve months beginning October 1 has involved a reduction in the farmers' receipts of about a penny per gallon, which means 3 pounds or more per cow in the year. Now, every distributor knows that the farmer can ill afford such a reduction....If it were not so serious, it would be almost ludicrous to read of the dairying industry of England--the only branch of farming which has complete protection from overseas competition--patiently waiting from one week to another until the purchasers of their produce are good enough to disclose the price which they feel disposed to offer. After such an experience there must be no hesitation in overcoming the lamentable lack of organization throughout the country. Complete arrangements are required, firstly, to manufacture surplus milk locally into cheese or butter, thus protecting both distributors and producers from the effects of temporary gluts in the liquid milk market, to the ultimate advantage of the consumer; and, secondly, to hold and to distribute milk direct from the farm in case of a breakdown in negotiations. The difficulties in the bacon trade are of a very different nature, for they affect the second stage of production, viz., the conversion of the pig into bacon. The factories

are, at present, unable to obtain sufficient supplies of the right type of pigs to enable them to maintain a full output, and so reduce their overhead charges to an economic level. Here, again, is a call for organized action among producers—the need of a clear lead, and scope for constant encouragement and guidance."

Southern Bankers' Opportunity An editorial in The Wall Street Journal for October 8 says: "Is the South now going to panic over the slump in cotton and lose its head at the prospect of a \$300,000,000 potential loss in spending money? Has it learned nothing since 1914 that it talks again of a 'buy a bale' movement? Is it the same old South of former days, precariously dependent on a one-crop harvest and hopelessly despondent whenever cotton approached 10 cents? Or is it a new, courageous and resourceful South whose financial 'comeback' it has been proclaiming as one of the outstanding developments of modern times. The present emergency will gauge the extent of the advancement. A great opportunity rests with the bankers of the South to-day. On former similar occasions recourse was always had to New York to help the cotton farmer. But in recent years such aid has proved unnecessary. The \$100,000,000 cotton pool of the war was a joke. There is no reason to-day why the southern banks should not be able to prevent sacrifice dumping of cotton. Their resources have grown enormously in the past decade. Resources of all the banks in the 13 Southern States are something over 10 per cent of the total for the United States. Ten years ago they were about 8 per cent, so they have more than kept pace with the banking expansion of the country. Back of the southern banks' own credit facilities lie the virtually untapped resources of the Federal Reserve system. That system has practically not been extended since 1919. Our credit machinery has been created for just such occasions....There is no complaint on the score of money rates. There are instances where banks, in the South, are ready to make loans on cotton, secured by warehouse receipts, at the low rate of 4 per cent per annum. Such banks are doing a real service to their community and the South. This rate is lower than New York banks are charging their commercial customers. It is less than high grade paper is selling in the open market and less than Wall Street banks are charging brokers on collateral loans. Six months hence will tell a different story as regards next year's cotton acreage outlook."

Section 3

**Department of
Agriculture**

An editorial in The Washington Post for October 9 says: "This year is the twentieth anniversary of the enactment of the food and drugs law. It is estimated that more than \$10,000,000,000 worth of food and drug products are annually brought within the jurisdiction of this act. The value of all foods manufactured annually is said to be more than four times that of the annual output of all iron and steel mills, four times that of men's and women's clothing, six times that of automobiles and ten times that of boots and shoes. There are few laws on the statute books more valuable to the American people than this. It touches the health and bodily welfare of all. The law was viewed with suspicion and opposition in the early years of its enforcement. To-day it is praised by both manufacturers and consumers. During the twenty years of its operation, 143,500 cases of complaints have been investigated, resulting in 22,600 court cases. It is asserted by the

officials who have in charge the enforcement of the law that violations are now the result of carelessness rather than deliberate intention, as a rule. The result has been better and purer food for the masses, public confidence in food manufactured under the requirements of the law, and better financial results to manufacturers. The Government agents are no longer policemen, but instructors. This is one instance where Government regulation, once called interference, has been beneficial to both producers and consumers."

Section 4 MARKET QUOTATIONS

Farm Products, Oct. 11: New York sacked Round White potatoes sold at \$2.65-\$2.85 per 100 pounds in a few eastern cities; mostly \$2.25 f.o.b. Rochester. Maine bulk green mountains \$2.50-\$2.65 in New York City. \$2-\$2.05 f.o.b. Presque Isle. Wisconsin sacked Round Whites brought \$1.90-\$2 on the Chicago carlot market; \$1.80-\$1.95 f.o.b. Waupaca. Virginia yellow variety sweet potatoes closed at \$2-\$3.25 per barrel. New Jersey yellows \$1.25-\$1.75 per bushel hamper. New York sacked yellow variety onions \$1.60-\$2 per 100 pounds in eastern markets; \$1.30-\$1.35 f.o.b. Rochester. Midwestern stock mostly \$1.65-\$1.90 in consuming centers; \$1.25-\$1.50 f.o.b. New York Danish type cabbage ranged \$20-\$25 bulk per ton in eastern distributing centers; \$12-\$13 f.o.b. New York Wealthys and Virginia Jonathan apples sold at \$3-\$3.50 per barrel in the East. New York Rhode Island Greenings mostly \$2.75-\$3.00 in a few city markets and \$2.50 f.o.b. Rochester. Michigan Jonathans \$4.50-\$5 in Chicago.

Top price of hogs at Chicago \$13.50.

Average price of Middling spot cotton in 10 designated markets advanced 35 points, closing at 12.65¢ per lb. December future contracts on the New York Cotton Exchange advanced 37 points, closing at 13.18¢, and on the New Orleans Cotton Exchange they advanced 45 points, closing at 13.23¢. October futures at New Orleans advanced 51 points, closing at 13.13¢.

Grain prices quoted: No.2 hard winter Kansas City \$1.33-\$1.39. No.2 yellow corn Kansas City 80¢. No.3 white oats Kansas City 44¢.

Closing prices on 92 score butter: New York 46 1/2¢; Chicago 45 1/4¢; Philadelphia 47 1/2¢; Boston 46 1/2¢. (Prepared by Bu. of Agr. Econ.)

| Industrials and
Railroads | Average closing price | Oct. 11, | Oct. 9, | Oct. 10, 1925 |
|------------------------------|-----------------------|----------|---------|---------------|
| | 20 Industrials | 149.35 | 151.18 | 147.43 |
| | 20 R.R. stocks | 114.95 | 115.57 | 101.66 |
| (Wall St. Jour., Oct. 12.) | | | | |

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the transparency and accountability of the organization. This section also outlines the various methods used to collect and analyze data, ensuring that the information is reliable and up-to-date.

2. The second part of the document focuses on the financial aspects of the organization. It provides a detailed breakdown of the budget, including income, expenses, and the resulting surplus or deficit. This section also discusses the various financial risks and the strategies implemented to mitigate them. The goal is to ensure that the organization remains financially stable and able to meet its obligations.

3. The third part of the document addresses the operational aspects of the organization. It describes the various departments and their functions, as well as the processes used to manage the organization's day-to-day activities. This section also discusses the various challenges faced by the organization and the strategies used to overcome them. The goal is to ensure that the organization is able to operate efficiently and effectively.

4. The fourth part of the document discusses the future of the organization. It outlines the various goals and objectives for the coming year, as well as the strategies used to achieve them. This section also discusses the various risks and challenges that the organization may face in the future and the strategies used to mitigate them. The goal is to ensure that the organization is able to continue to grow and thrive in the future.

DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 11

Section 1

October 13, 1926

COTTON COMMISSION PLAN The press to-day reports: "The administration moved yesterday, through its newly appointed commission, to seek a solution of the present serious cotton situation. The commission, consisting of Secretaries Mellon, Jardine and Hoover, and Eugene Meyer, jr., former chairman of the War Finance Corporation, after holding its first meeting, outlined the following measures designed to bring relief: 1-An immediate survey to determine to what extent the cotton consuming countries of Europe may be induced to undertake long-term purchases. 2-Urging the domestic spinning industry also to make long-term purchases as a matter of self-protection as well as one of checking panicky sales. 3.-Encouragement of the present movement on the part of the southern banking structure to stand back of relief steps; greater cooperation on the part of the Federal farm credit agencies. 4.-Restriction of acreage of the 1927 crop. In addition to this, according to a statement issued by the commission, the long-term-purchase plan is proposed as a step to give impetus to orderly marketing as another stabilizing device....."

Mr. Meyer issued a statement yesterday in which he urged the spinning industry to make long-term purchases to take care of "panicky sales." He also said that England, Germany and Japan, with their stable currencies, would be able to enter into long-term contracts for the purchase of American cotton. Mr. Meyer described the situation of the cotton grower as "real, but not impossible." Conditions in the South, he said, are far better than they were in 1921, when a somewhat similar condition was faced. The banking situation of the South was declared to be immeasurably stronger than it was five years ago and, it was added, bankers and business men are already at work to mobilize and make practical use of the resources needed to steady the situation. The special committee, said Mr. Meyer, "is taking steps to cooperate with the movement now in course of organization throughout the South, where the responsibility of leadership in handling the situation must necessarily rest."

ACREAGE CUT ASKED An Associated Press dispatch to-day from Raleigh, N.C., says: "Extension of credit only to farmers who agree to reduce their cotton acreage by one-fourth next year was urged in resolutions adopted here by the agricultural committee of the North Carolina Bankers' Association. The resolutions provided that the banks would be asked to loan money for holding part of the present crop from the market until the price becomes stabilized when the farmers agreed to the acreage reduction. Between five and eight million bales should be withheld, it was agreed. Clarence Ousley, former Assistant Secretary of Agriculture, declared that 'the time has come to force reduction in acreage by limiting credit, and for the bankers and merchants of the South to use their credit power to stop the cotton panic.'...."

EXTRA SESSION URGED An Atlanta, Ga., dispatch to the press to-day states that President Coolidge was asked to call an extra session of Congress to consider the cotton situation by Senator William J. Harris, who declared in his telegram that "unless conditions are alleviated it means the reduction of the purchasing power of the Cotton States and will effect business all over the United States."

Section 2

Cooperative Bacon Fac-
tories in
Britain

An editorial in The Field (London) for September 30 says: "Yet another inquiry has been undertaken into the state of agricultural co-operations in England, and although the resulting report is not very satisfying we must welcome this fresh endeavor to profit by the experience of the past. The latest inquiry is particularly welcome, because it signalizes the practical interest which the National Farmers' Union is now taking in the welfare of cooperative enterprises in which farmers are concerned. In the past the National Farmers' Union has shown itself, to our way of thinking, rather too much absorbed in political controversy and too little concerned with the business organization of the industry it represents....The six farmers' cooperative factories in England have certainly had a chequered career....Three of the six farmers' cooperative bacon factories only came into being in the years since the war, and of these two must be written down non-successes. Of the post-war enterprises the Oxfordshire Farmers' factory at Kidlington alone can claim to be a commercial success. Of the pre-war factories the St. Edmundsbury factory, in Suffolk, and the Herts and Beds factory at Hitchin, are firmly established. The others, heralded so confidently but a few years back, have now found it necessary to suspend curing operations....The failure of these enterprises does not reflect to the national credit, for during the same period the cooperative bacon factories of Danish farmers have been supplying the British market with first-rate bacon to the value of some 20 million sterling a year. The chief trouble seems to have been lack of support. Cooperative bacon factories in this country have never been able to count upon a full supply of raw material--in the shape of prime bacon pigs--to keep them working at full pressure. The supplies to these factories have never averaged more than one-half of their capacity, and working on this basis can not make for economy. Shortage of pigs is the common cry of all bacon factories--cooperative and privately-owned....We have suggested that some form of collective bargaining and price-fixing between farmers and the curers is the only means of bringing about that stabilization of supplies and prices which is so essential to the proper development of the home bacon industry....Another source of weakness in the cooperative bacon industry is the necessity of exercising control through a committee who are not experts in the trade. The competing non-cooperative factory is generally in the hands of one shrewd business man who has probably had a life-long training in the bacon business. A good manager counts for much in the success of a cooperative factory, and the smaller the executive committee, representing the members, the better...."

Cotton Con-
sequences

An editorial in The Wall Street Journal for October 12 says: "It is clear enough that with the crop of cotton now in sight, allowing for some ultimate reduction in the Government estimate, there will be an enormous carryover of the staple, with only a slow disposition of the crop. The price of cotton may come back, but the outlook can not be called hopeful. It is better to look at some of the plain facts. In the latitude of South Carolina the tenant cropper and small farmer will get practically nothing for their season's work when the cotton is sold and the bank is repaid its advances. Their purchasing power is gone, or nearly so. It costs anywhere from \$50 to \$70 to make a bale of cotton there. The banks lend about \$50 on the prospective bale in the spring, before the seed is planted. Given 478 pounds of lint in a bale

and deducting two cents a pound from the New York price, the inquiring reader can do his own little sum. After the bank is paid the cropper gets half of what is left to starve on, and the landlord the other half to pay out for taxes. How he must bless the Federally subsidized highway construction still unliquidated! It is clear also that the railroads will move a large crop out of the South and Southwest. They will not move so much freight in. If the entire cotton belt loses, or fails to make, \$400,000,000, part of which it has already discounted, it is obvious that the loss of purchasing power is certain to hit all round. People who make what the South consumes will have that much less market, although it may be months before the full force is felt. The hand-to-mouth character of cotton growing is shown in the fact, true year in and year out, that purchasers from the fertilizer companies are always governed by the price of cotton and not by what the land needs. Here it is possible to see one of Nature's correctives, and the first step to limiting cotton production in 1927....From the most trustworthy reports it seems that the banking situation is sound. Both country and city banks are in a liquid position, and not noticeably extended. Bank failures, therefore, are not to be looked for, while merchants are in a good position if only for the reason that they have not been buying ahead, trusting to the much abused railroads to keep them dependably supplied."

Cotton
Credits

An editorial in The Journal of Commerce for October 11 says: "What has every appearance of an organized raid upon the banking system of the United States is now being organized by so-called 'cotton interests.' It is desired that funds should be furnished from some source for the purpose of withdrawing from the market 3,000,000 bales or more of the present enormous cotton crop....If 3,000,000 bales should be taken off the market, leaving the available supply at 14,000,000 bales of new cotton, matters would be in about the position that was hoped at the beginning of the season, when in spite of the large acreage, cold and unseasonable weather seemed to point to a very small product--relatively speaking. Just what is it that is now desired by those who expect to suffer from the immediate marketing of the whole 17,000,000 bales or more? At Los Angeles, some local bankers in the cotton States announced that banks in Texas are willing to 'finance withdrawal of 1,000,000 bales,' and they also wanted to have other bankers provide for 2,000,000 bales additional. Since then, organized American cotton farmers have asked that the Reserve system contribute, by undertaking to rediscount at a special low figure, cotton warehouse paper covering cotton in storage and enabling it to be carried over to next season. The last point is an important one: the whole proposition depends upon ability to carry over 3,000,000 bales or more, until such time as the cotton farmer can be induced to curtail his regular production by an equal amount. So what is wanted is that the ordinary banks and the Reserve system together should provide funds with which to pay for about 3,000,000 bales of cotton, deferring collection of the item until another crop season has passed....Why should not cotton be carried over in this way? For the same reason that no agricultural product should be so carried. There is no guarantee whatever of any better price of cotton next year, and certainly no guarantee of any ability to compel cotton farmers to curtail their acreage. On the contrary, if the price of

cotton should be maintained, we may be very confident that the farmer will not discontinue planting but will keep his output up just as he has this past year, despite the fact that a year ago the usual prophets of disaster in the Southern States kept asserting that he was producing at a loss. He was not producing at a loss, as is shown by the fact that he has gone on and increased his product enormously...."

European
Conditions

Norman Angell is the author of a comprehensive article entitled "Europe's Chinese Wall Bars Prosperity" in The Magazine of Wall Street for October 9. In this Mr. Angell says: "...Speaking without any legalistic hair-splitting, the thing which we call the British Empire, insofar as it refers to Great Britain, Canada, Australia, the South African Union, New Zealand, Newfoundland, the Irish Free State, and tomorrow India, is a group of independent States bound by a political alliance of extremely loose and elastic terms, hardly extending beyond a general undertaking that when one is attacked the others will come to its defense. Beyond that, the Imperial tie means very little indeed. And although such questions as the flag incident in South Africa, the dissolution of Parliament decision by the Canadian Governor-General, are provocative of a good deal of popular and newspaper discussion, they will affect very little the political relationship between Great Britain and the Dominions. It seems all but impossible for this simple truth to be grasped adequately by foreigners....I recall that in a German university before the war a political writer of very great academic pretensions denied flatly a statement by myself that the Dominions were quite entirely free to impose any tariff they pleased as against Great Britain or any other State....The political entity we so describe (British Empire) has long since ceased to be an Empire; has already broken up and resolved into a group of allied independent states as already described. And it is a very great pity that the fact of such an evolution having taken place is not more generally realized. For it is an extremely important event pointing towards new problems and the need for new conception of international law....In the case of a country like Great Britain, it is not so much the actual payment of the war bills which constitutes the difficulty; it is the problem of enabling the millions brought into being as the result of the first successes of the industrial revolution to continue to live upon a national soil which can not support them if the economy by which that soil is worked is a national one. That is to say, draw a Chinese wall round each one of the great nations of Europe to-day (and this, of course, is particularly true of England and Germany), and a big proportion of the population living within that wall would die. One speaks of over-population, but with a truly international economy, there would not be over-population. What, after all, is over-population? Is Piccadilly over-populated, or Chicago, or New York, or Melbourne? If there were such economic unity between the thirty-five States of Europe as between the forty-eight States of America, it would be no more true to speak of the over-population of Great Britain than to speak of the over-population of Broadway or Lombard Street. No economist would deny for a moment that one of the most potent factors of American wealth, making possible the large-scale production and the effective geographical division of labor, is the vast Free Trade area which exists within the borders of the United States. If we could imagine the continent of Europe achieving a similar economic unity (which need not necessarily imply a political one)

there can be no doubt that industry and trade would revive enormously and the standard of life rise in corresponding degree...."

Texas Farm
Bureau
Cotton
Plan

An Austin, Tex., dispatch to the Manufacturers Record of October 7 says: "If the bankers of this State are successful in carrying out their plan of raising \$100,000,000 to finance cotton growers in holding for better prices 1,000,000 bales of cotton in Texas, and the cooperation secured of bankers of other Southern States, so that approximately 3,000,000 bales may be taken out of the immediate market, it is the expressed belief that the desired effect may be obtained. The proposed loan of \$50 a bale to farmers out of the fund, with the low interest rate of 6 per cent per annum, will appeal to many cotton growers, it is thought. Discussing the action of Texas bankers in seeking to bring relief to farmers who are facing financial distress as a result of present low prices of cotton, John T. Orr of Dallas, president and general manager of the Texas Farm Bureau Cotton Association, said that the removal of 1,000,000 bales of Texas cotton from the market and 2,000,000 bales from the other Southern States, in order to permit orderly marketing to function to a great extent, is unquestionably the solution of the problem...."

Section 3
MARKET QUOTATIONS

Farm Products Oct. 12: Livestock and meats: Chicago prices as of October 12: Hogs, top, \$13.90, bulk of sales \$11 to \$13.50. Beef steers choice \$10.25 to \$11.85, good \$9.25 to \$11.25, medium \$7.50 to \$9, common \$6 to \$7.75. Heifers, good and choice, \$8 to \$11.50, common and medium \$5.75 to \$8.75. Cows, good and choice, \$6 to \$8, common and medium \$4.65 to \$6, low cutter and cutter \$3.75 to \$4.65. Vealers, medium to choice \$10.75 to \$14.50, heavy calves medium to choice, \$6.25 to \$8.75. Stocker and feeder steers, common to choice, \$5.65 to \$8.35. Fat lambs, medium to choice, \$12.25 to \$14.40, yearling wethers, medium to choice, \$9.75 to \$12.75, fat ewes, common to choice, \$4.75 to \$7, feeding lambs, medium to choice, \$12 to \$13.75. New York wholesale quotations on good grade, western dressed, fresh meats as of October 12: Steer beef \$14.50 to \$17, veal \$22 to \$24, lamb \$22 to \$24, mutton \$11 to \$13, light pork loins \$32 to \$35, heavy loins \$23 to \$28.

Maine sacked Green Mountain potatoes sold at \$2.65-\$2.85 per 100 pounds in a few eastern markets; bulk stock \$2.10-\$2.20 f.o.b. Presque Isle. Wisconsin sacked Round Whites \$1.90-\$2 and Michigan stock \$2.35-\$2.45 on the Chicago carlot market; \$2.10-\$2.20 f.o.b. Western Michigan and \$1.70-\$1.85 f.o.b. Waupaca.

Wisconsin Danish type cabbage \$1 sacked per 100 pounds in Chicago and \$9.50-\$10 bulk per ton f.o.b. Racine.

New Jersey yellow sweet potatoes \$1.25-\$1.75 per bushel hamper. Virginia stock \$2.25-\$3 per barrel.

Eastern apples, Staymans, Wealthys and Jonathans, sold mostly at 75¢-\$1 per bushel basket in the East. Michigan Jonathans \$4.50-\$5 and Michigan and New York Rhode Island Greenings \$4-\$4.50 per barrel in Chicago. (Prepared by Bu. of Agr. Econ.)

DAILY DIGEST

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Vol. XXIII, No. 12

Section 1

October 14, 1926

THE COTTON COMMISSION

The press to-day says: "The Federal Government's part in dealing with the situation confronting the cotton belt, due to falling prices attendant upon the Government estimate of a banner crop, yesterday, devolved largely upon Eugene Meyer, jr., former head of the War Finance Corporation and chairman of the commission appointed by President Coolidge to aid in bettering cotton conditions. Secretaries Mellon, Jardine, and Hoover, the other members of the commission, having outlined with Mr. Meyer four measures designed to bring relief, have left to him the work of mapping out details of the program. The Cabinet members will continue to act in an advisory capacity, but the job as a whole, so far as Government agencies are concerned, will be intrusted to Mr. Meyer.

"In a series of conferences yesterday Mr. Meyer started moves toward a survey to determine to what extent the cotton consuming countries of Europe may be induced to undertake long-term purchases, as recommended by the Presidential commission. He will also seek means of impressing upon the domestic spinning industry the need for making long-term purchases. Mr. Meyer is keeping in close touch with the efforts of southern bankers and growers to withdraw cotton from the market, finance the growers and restrict acreage of next year's crop. He said he may go South later to confer with leaders in the movement but for the present he saw no need for such a trip. Governor McLeod of South Carolina conferred yesterday with Mr. Meyer."

SOUTHWIDE COTTON CONFERENCE

A Memphis dispatch to the press to-day says: "A vigorous fight over means of relieving the existing cotton market depression was precipitated at Memphis yesterday in the Southwide Cotton Conference by the submission of a proposal indorsing legislative aid for the farmer. The proposal, embodied in a resolution presented by Walter Sillers, jr., Rosedale, Miss., would advise the resolutions committee at that time in session that the convention wanted a resolution calling for remedial action by State legislatures. Mr. Sillers defended his proposal in a spirited address after it had been vigorously attacked by L. J. Folse, general manager of the Mississippi State Board of Development. The resolution was adopted and sent to the committee by a vote of 181 to 175. L. D. Tyson and K. D. McKellar, United States Senators from Tennessee, had just addressed the convention in advocacy of national legislation on behalf of the cotton farmer. Mr. Folse.....declared the farmers did not need a Congressional 'wet nurse.' He believed the agricultural producer was able to solve his problems without legislative aid....."

PIE AND CAKE MOST POPULAR FOODS

An Atlantic City dispatch to the press to-day reports that pie and angel cake are the most popular national dishes, according to replies to questionnaires sent out by the American Gas Association, now holding its convention at Atlantic City....."The seeming lack of dishes with great sectional and State popularity is significant," the report said. "It is an indication of the nationalization of our food taste, and proves that, after all, the United States is more an entity than ever before."

Section 2

Business Men
and Farming

An editorial in The Farmer (St. Paul) for October 9 says: "What can business men do to help agriculture? First, the business world can help itself and agriculture by securing an accurate knowledge of agriculture, its importance and its needs. Second, the best brains of the business world could be profitably used to perfect the systems of finance and distribution that have so much to do with farm success. Third, business men can do much to equalize the privileges of agriculture as compared to the privileges that industry and labor enjoy. Fourth, business men can do much to perfect a sound organization of agriculture. In our opinion, the lack of complete organization is the chief trouble with agriculture. Fifth, business men can help agriculture by using every effort to bring about the stabilization of land values. If the commission, to be appointed by the National Industrial Conference Board, will devote itself to these and similar questions great good will be accomplished. If farmers and business men will mutually agree on a long-time program for agriculture, it will mean much to the Nation."

Cooperative
Marketing

Oklahoma Farmer-Stockman says: "There is not a place in Oklahoma where there is a farmers' cooperative elevator that the price of grain does not average 10 cents a bushel more than it would if there were no farmers' cooperative there. Many of these places ship 500,000 bushels of grain during the year. The difference in price, on account of having the cooperative elevator at 10 cents a bushel on 500,000 bushels is just \$50,000. Where the farmers' cooperatives buy cotton seed, the price usually runs at least \$10 a ton higher than in those places where they do not buy. This means about \$5 a bale more that the farmers get around a town, where the cooperative buys seed, than they would if the cooperative was not buying, and yet many times the stockholders of the cooperative forget this \$5 a bale dividend that they receive every time they take a load of cotton to the gin. There are many towns in Oklahoma that in normal years gin 10,000 bales of cotton. A difference of \$5 on the bale means that the farmers get \$50,000 that they would not get if the cooperative did not buy seed. The same is true where the cooperative buys produce. The price is always better and the farmers take dividends home with them every time they bring in the eggs, the poultry, and the cream."

Corn Pest
Regulations

An editorial in The Michigan Farmer for October 9 says: "On another page of this issue, is a report of the tour of scientists and agricultural leaders into the corn borer infested areas of Ohio, Michigan and Ontario. These men observed that the practical answer which the Canadian farmers are making to the problem of meeting this pest, is to eliminate corn from their rotation. Will the farmers in Michigan and the States of the Corn Belt be forced to meet this problem in the same way?.....The question, then, of quitting the corn crop will probably depend upon how well we shall be able to enforce regulations governing the suppression of this pest....."

Crop Control
Alliance

A Des Moines dispatch to the press of October 13 says: "An alliance of representatives of corn, cotton and wheat producing States to press surplus crop control legislation during the next session of Congress is being discussed at Des Moines as plans are formulated for the meeting October 19 of the Corn Belt Committee. The meeting has

been called to outline the renewal of the farm relief fight. Friends of the McNary-Haugen plan declare the meeting will be attended by representatives of a larger number of States than have participated in previous conferences....."

Poe on Cotton Situation

Clarence Poe, writing in the press of October 5, says: "Suppose a fire should break out in a town, wouldn't it be a foolish man who would propose to stop and build a new fire engine a little more to his liking while the fire raged? Suppose a half-dozen men were drowning in a lake. Wouldn't it be a foolish man who would propose to ignore a canoe waiting by the shore and suggest building a possibly somewhat finer one while the tragedy of drowning proceeded? Of course we all admit the foolishness of either suggestion. And yet isn't it exactly a parallel situation that confronts us with reference to the financial disaster that now threatens every Southern State by reason of the low price of cotton? Thirteen-cent cotton now is hardly better than seven-cent cotton in the days before the World War. Yet if southern farmers, merchants, and business men show themselves willing to accept this absurd price, that is all the South will get for the crop. The cotton consuming world is certainly not going to insist on forcing higher prices on us if we will accept 13 cents. An acceptance of the 13-cent price is, of course, indicated by just one thing--the actual sale of cotton at that figure. Resolutions, editorials, telegrams, and speeches of protest are mere sound and fury to the cotton-buying world, if the actual lint continues to go on the market at 13 cents or thereabouts, a price that means sure disaster equally to southern farmers and southern business men.....Elaborate and high-sounding schemes are proposed for holding cotton off the market and financing the producer while the holding proceeds--but nearly all these schemes are hopelessly impracticable, and if they are practicable, the bulk of the cotton would surely be sold before any of them could possibly be put to work over the belt.....A complete, well considered, effectively functioning machine for dealing with just such emergencies as now face the cotton farmer is ready to help save him. We refer, of course, to the cooperative marketing associations now at work in every southern State. They will take the farmers' cotton and see to it that it is not dumped wholesale on a demoralized and ruinously low market, but is instead marketed gradually throughout the year, and furthermore, they will advance as liberally as anybody can safely do on every pound of cotton delivered. As for acreage reduction, no plan yet proposed can be anything but a mere gesture. Farmers simply will not say definitely in October what they will do next April, when conditions may be very different, and should not be expected to.....

Potash Industry

Preliminary investigations in the Government's effort to stimulate a domestic potash producing industry have been completed by representatives of the Bureau of Mines operating in Texas and actual tests of certain localities in that State are about to be begun, according to a statement issued by the Commerce Department, October 12.Domestic production last year, it is pointed out, amounted to about 25,459 short tons of potash, or about one-tenth of the amount imported during the year.

New York Milk
Supply

The New York Times of October 10 says: "Dr. Louis I. Harris, New York Health Commissioner, informed the dairymen and farmers of the New York City milk shed district October 12 that he would not extend the milk supply territory beyond the Eastern States and two Canadian Provinces which had been sources of supply for many years. The Commissioner's notification came after the receipt of a report from a committee of the larger milk producers and distributors in the shed. This committee was organized last June after a conference with Doctor Harris....."

Section 3
MARKET QUOTATIONS

Farm Products Oct. 13: Maine sacked Green Mountains ranged \$2.85-\$3.15 per 100 pounds in eastern cities; bulk stock \$2.10-\$2.20 f.o.b. Presque Isle. Wisconsin sacked Round Whites \$1.90-\$2.10 carlot sales in Chicago; \$1.75-\$1.85 f.o.b. Waupaca. New York and Midwestern yellow onions \$1.65-\$2 sacked per 100 pounds in consuming centers; \$1.25-\$1.50 f.o.b. Best Elberta peaches from New York at \$1-\$1.75 per bushel basket in terminal markets. New York, Northwestern and Rhode Island Greening apples at \$2.75-\$3 per barrel in New York City; mostly \$2.50 f.o.b. Rochester. Michigan Jonathans \$4.50-\$5 in Chicago. Bushel baskets red fall apples ranged 60¢-\$1 in eastern cities.

Livestock quotations at Chicago: Top price of hogs \$14, while bulk of sales were at \$11.25 to \$13.65.

Closing prices on 92 score butter: New York 47¢; Chicago 45½¢; Philadelphia 48¢; Boston 46½¢.

Average price of Middling spot cotton in 10 designated spot markets advanced 18 points, closing at 12.84¢ per lb. December future contracts at New York advanced 14 points, closing at 13.32¢, and at New Orleans they advanced 12 points, closing at 13.35¢. October futures at New Orleans advanced 8 points, closing at 13.21¢.

Grain prices quoted: No. 1 dark northern-Minneapolis \$1.41-\$1.52; St. Louis \$1.40. No. 2 hard winter-Kansas City \$1.35-\$1.40. No. 2 yellow Corn-Kansas City 80¢; No. 3 yellow corn St. Louis 77¢; Minneapolis 74¢. No. 3 white oats-St. Louis 44¢; Minneapolis 41¢; Kansas City 44¢.

(Prepared by Bu. of Agr. Econ.)

| Industrials and
Railroads | Average closing price | Oct. 13, | Oct. 12, | Oct. 13, 1925 |
|------------------------------|-----------------------|----------|----------|---------------|
| | 20 Industrials | 150.78 | 149.35 | 147.40 |
| | 20 R.R. stocks | 115.95 | 114.95 | 101.73 |

(Wall St. Jour., Oct. 14.)

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DAILY DIGEST

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Vol. XXIII, No. 13

Section 1

October 15, 1926.

THE COTTON SITUATION

The New York Times to-day reports: "Private agencies, with the assistance of the Farm Loan Board, will be able to find a solution for the economic crisis in the cotton States, according to opinions expressed yesterday in official quarters in close touch with the President. Doubt was expressed that the South would join hands with the Middle West in insisting upon the passage of a Government relief measure, such as the McNary-Haugen bill, with a view to public purchase and storage of farm products, including cotton, in times of overproduction. According to a member of the Cabinet familiar with the situation engendered by the tumble in the price of cotton, the present situation can be met in part by extension of credit, but other steps must be taken, it was indicated, to assure stability in the cotton trade in the future. This official pointed out that the problem was not financial but physical. He stated that the cotton industry must equip itself with better facilities for distribution and storage in order to cope with the troubles that face it in years when nature supplies an overbounteous harvest. He also stated that reduction of acreage, partly by diversification, should be the aim of the cotton planter, and that until the planter diminished his output he must count on running into difficulties from time to time. This official said that the South would not find it difficult to get all the credit it needed in this year's emergency, but expressed the opinion that the financial aspects were not of major importance.

"The extent to which the intermediate credit system can assist in the orderly marketing of this year's cotton crop was discussed at length yesterday by Eugene Meyer, jr., chairman of the President's cotton committee, and A.C. Williams, Farm Loan Commissioner. Following the conference Mr. Meyer said he was informed by Mr. Williams that the Farm Loan Board and the intermediate credit banks had indicated their readiness to aid. Mr. Williams told Mr. Meyer the intermediate credit banks already had approved applications for loans totaling \$33,500,000 to cotton cooperatives, and expressed confidence in the ability of the system to meet the further needs of all soundly organized and properly managed associations.Mr. Meyer suggested that country banks which are in a position to utilize the facilities of the intermediate credit banks should get in touch with the officers of the bank in their territory in order that they may be able to render all necessary assistance in a program of orderly marketing."

ALL-SOUTH COTTON COMMITTEE

A Memphis dispatch to the press to-day says: "Organization of the permanent All-South Cotton Committee went ahead yesterday in conformity with the decision of the All-South Cotton Conference October 13. The committee will work for the withdrawal from the market of 4,000,000 bales of cotton. It is proposed to form pools to finance this cotton and to release it to the market gradually. It is planned to reduce acreage planted to cotton in 1927 to 75 per cent of the acreage planted in 1926. It is proposed to effect this result by having bankers limit credit advances and agree to withhold a line of credit from planters who refuse to abide by the condition. George B. Power of Jackson, Miss., secretary of the Mississippi State Bankers' Association, probably will be elected executive secretary of the permanent executive committee, which will have its headquarters at Memphis."

Section 2

Cotton

An editorial in Manufacturers Record for October 14 says: ".... Commission Every card is in the administration's hands. There is the great, non-perishable crop of cotton. There are the vast sums available through the intermediate credit banks and other financial agencies. There are the warehouses where the excess product can be stored. There is a farm commodity admittedly selling below cost of production. The problem has in it every factor the administration's program contemplated. The administration has had tossed into its lap the chance to prove indubitably the economic soundness of its plans. It has the chance to prove that it is, in fact, favorable to agriculture.....This cotton crisis can be made the foundation of a rational agricultural marketing policy that would be epochal in its benefits. Brazil saved its coffee planters, England saved its rubber producers. Will the administration, with full power in its hands, save the cotton situation, realizing that cotton is the Nation's most important crop in maintaining our balance of trade?..."

Cotton
Market

An editorial in The Wall Street Journal for October 14 says: "Something unusual was accomplished by the South Carolina Bankers Association, last week, at a special meeting called to consider the serious situation in the cotton market. To diagnose the case and decide on the remedy was comparatively easy. But the unusual part was in the adoption of the necessary instrumentalities for putting the plan into immediate operation. In this respect the South Carolina action is unique. Other meetings have been called in other States before this one. All recognize the trouble as too much cotton--more than the market can digest. The remedy is to stop the forcible feeding of cotton to the market and keep the surplus until the consumer is ready for it, instead of cramming it down the market throat at once. Also all recognize the fact that if 35,000,000 acres will produce all the cotton the market can consume, the situation can not be cured so long as 50,000,000 acres are planted. The fashion has been to state these obvious facts, advise the farmer to store his cotton, and the country banker to extend his loans so that the farmer can carry his cotton. This is as far as the counsel gets....But the South Carolina bankers, after showing the farmers the necessity of warehousing their cotton and promising to loan 80 per cent of its market value, set out to have this done. Every banker in every county of the State also is to be personally schooled on this matter. They in no wise interfere with the cooperative associations, but urge farmers to ship to them. The farmers who are not members of cooperatives, and do not want to be, are offered banking facilities for warehousing cotton. Then there is to be an iron-clad agreement signed by the bankers that they will not loan a dollar for crop-making purposes to any man who, raising more than ten acres of cotton, does not reduce his acreage 25 per cent. This will force the farmers to a better balanced production. If the other States will do the same, the disturbance to business through an uncalled-for over-planting of one crop will be avoided in the future...."

Cotton
Problems

An editorial in The Journal of Commerce for October 14 says: "The several members of President Coolidge's Cotton Commission are giving the public the benefit of their optimistic views about the fate of the crop and the possibility of marketing it without disastrous losses to the growers. The essential incongruity between their hopes of raising prices by encouraging immediate sales and their plans for withdrawals

from sale by emergency credit advances are placidly ignored, and it may be not fully appreciated by eager spokesmen anxious to make out as good a case as possible for the future of cotton. Unwillingness to look facts squarely in the face has never yet provided a solution of problems of price fixation which depend in final analysis upon a few simple inescapable economic commonplaces. Low prices can only be corrected by selling, taking losses and starting over again, chastened by painful experience. Farmers, like other producers, must swallow their medicine at intervals, and they can not be saved by orderly marketing or even by perfect credit systems from the consequences of overproduction. On the contrary, the first requisite of safe and efficient methods of selling agricultural products is continuity of the process of getting goods to market, while the prime requirement of a sound commercial banking system is liquidity. Not only are such elemental commonplaces ignored or forgotten but other panaceas are proposed to the cotton grower that are not in the least compatible with the maintenance of high prices. Cotton acreage reduction is doubtless desirable--certainly greater crop diversification has long been urged upon the southern planter. But his methods are not going to be revolutionized overnight, or even in a single crop year by the missionary activities of agents of the Department of Agriculture. Moreover, the cotton farmer's natural reluctance to change his methods is fortified when he is given reason to hope that the prices of cotton may be raised by outside intervention....."

Cotton Situation

An editorial in Manufacturers Record for October 14 says: "To every cotton grower in the South should be sent the message, 'Hold tight to your cotton and then hold still tighter, and keep on holding tight to it so long as present low prices prevail.' The farmers have it in their power to stem this downward movement of cotton by holding their cotton off the market and absolutely refusing to sell it at present prices. Cotton is selling below the actual cost of production. Unlike wheat or corn or other products of the farm, which are ruined by long standing, cotton can stand for 50 years if well protected from the weather and still be good and substantial cotton. At present farmers are acting like men in a crowded house when somebody cries 'Fire,' even where there is no fire, and then they all rush pellmell trampling each other to death in getting out when an orderly movement from the building would have been infinitely better. As though they were actually afraid that to hold a bale of cotton would burn their fingers, farmers are rushing to get rid of their staple, dumping it on a declining market, each farmer apparently trying to outdo the other in the speed with which he gets his cotton sold. It is no wonder that cotton declines under such circumstances. Every newspaper and every business man in the country ought to do all in his power to stem this panicky condition of cotton growers and persuade them to hold their cotton, and hold it tight, until prices react."

Cotton Suggestions

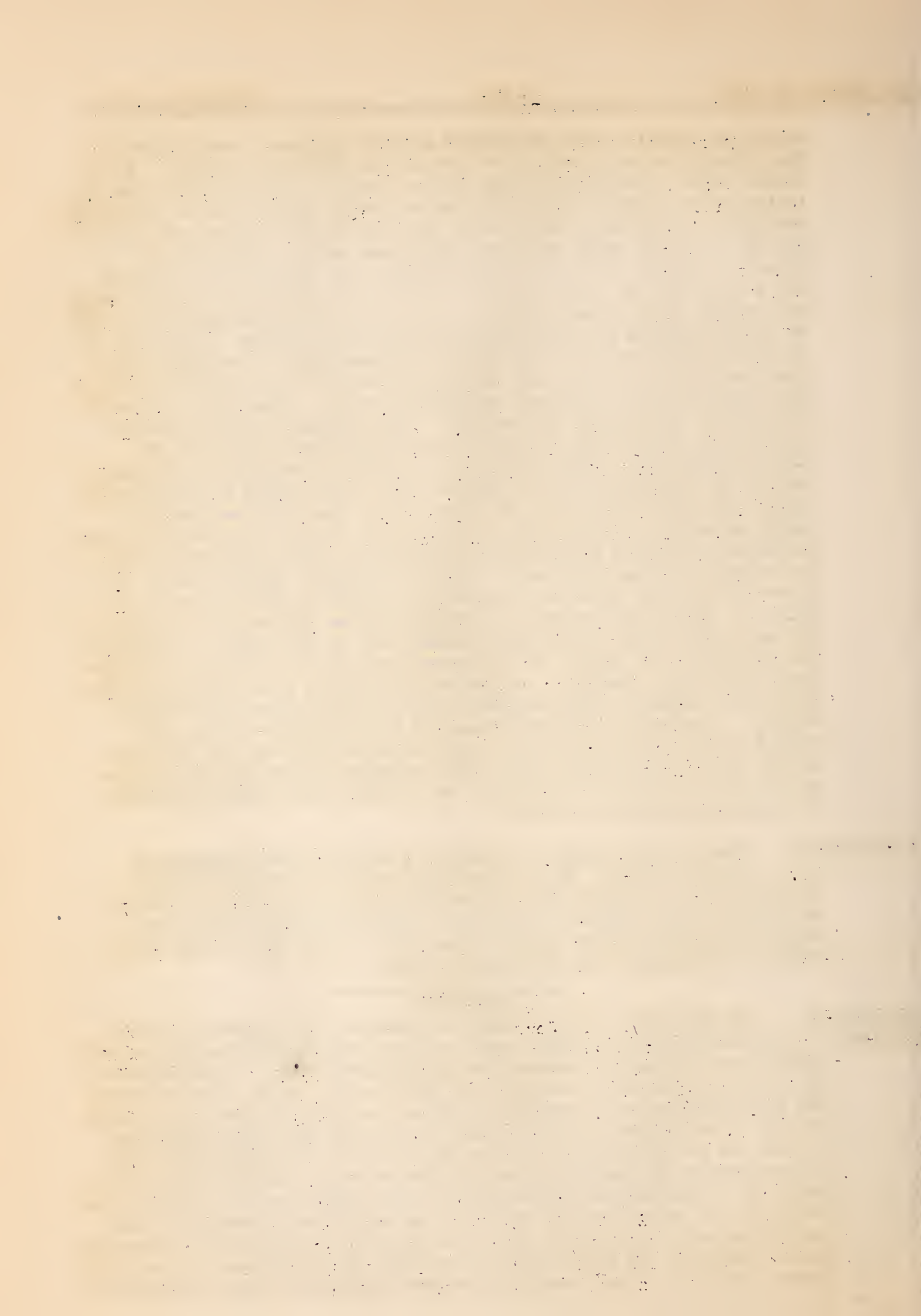
Fenner and Beane, New Orleans Cotton Exchange, issues the following statement: "Suppose this message should go to every spinner in the world in such form as to carry conviction: 'There may be plenty of cotton now, but there will not be plenty of cotton a year from now.' What would the result on the market be? The answer is simple enough. Spinners would buy--spots for near future use, and future contracts to cover distant needs. Merchants, then able to hedge satisfactorily,

would buy supplies from the farmer against spinners' need later on. The farmers' market would show strength in place of weakness. Producers would immediately demand better terms. Automatically, the existing price problem facing the farmers would solve itself. The present price of cotton is well below the cost of production, and way below the basis on which yarns and goods are sold. Consequently, spinners realize it will be good business for them to buy supplies for a long time to come, whenever they be convinced that farmers will not sell at still lower prices. A quick survey by telegraph was made by Fenner & Beane of every cotton center in the South. The point of view of farmer, merchant and banker was developed. Everybody realized the financial harm that would come to the South were the bulk of the crop marketed at present disastrous prices. Everybody expressed a desire to help check the decline. Then a plan of action was developed and immediately placed before 1,200 Cotton Belt editors, 12,000 Cotton Belt bank presidents, and 35,000 influential business men in the thirteen Southern States. All local banks to immediately advertise their willingness to lend at four per cent ten cents a pound on properly stored and insured white cotton, provided the farmer borrower definitely pledge to the lender bank that his acreage will be sharply reduced next year....Under this plan, Fenner & Beane believe it entirely feasible to promptly accomplish the following results: 1. Check the decline. 2. Provide for an adequate adjustment between supply and requirement another year on the basis of profitable prices to the farmer. 3. Bring spinners into the market for current and distant supplies. 4. Restore confidence and recreate a buying power, against which merchant buyers of spots may sell future hedges. Immediate widespread reaction by telegraph to this plan showed every disposition among local bankers, editors and business men to put it into effect, and thus promptly stiffen the resistance of the South to further declines, as a first step, and, ultimately, to restore profitable prices."

New York Milk The New York Times of October 14 reports from Binghamton, N.Y.: "Ogden L. Mills, Republican candidate for Governor, charged October 13 that despite the revelations in New York City's milk investigation made eighteen months ago, new laboratory tests showed that milk inspection was still so lax that 74 per cent of the milk supply of the Bronx was being adulterated....."

Section 3

Department of An editorial in The Journal of Commerce for October 14 says:
Agriculture "Organized effort is under way, so it is said in Washington, to undermine our system of assuring the public pure foods. Manufacturers of substances alleged, sometimes by implication, to be deleterious to the human system are conspiring together, so it would seem, to change the law in a fashion to permit them to proceed with their nefarious desires in the manufacture of foodstuffs. All this is clearly seen and understood in the Department of Agriculture, that for some reason seems to be particularly interested in the subject at the present time. No doubt the general public would become much more disturbed by such reports were it not for the fact that this sort of alarmist propaganda has so often in the past found its way into the headlines of our daily press, and were it not true that we have during the years accumulated



upon the statute books of the Nation a great deal of fake protection for the consumer. We need and must have legislation protecting the people from sundry evil practices likely to arise if permitted in the manufacture of foodstuffs, but we need almost as badly to have a little more sincerity injected into our system of protection."

Section 4

MARKET QUOTATIONS

Farm Products Oct. 14: Livestock quotations at Chicago: Top price for hogs at \$14 and bulk of sales at \$11.25 to \$13.75.

Maine sacked Green Mountains closed at \$2.85-\$3.15 per 100 pounds in eastern cities. Michigan Russet Rurals held firm at \$2.65-\$3 in city markets and \$2.15-\$2.20 f.o.b. Wisconsin Round Whites declined in Chicago to \$2-\$2.25 carlot sales and at Waupaca f.o.b. \$1.75-\$1.85. Virginia yellow sweet potatoes ranged \$2-\$3.25 per barrel. Tennessee Nancy Halls 85¢-\$1. New York domestic type cabbage \$15-\$20 bulk per ton in distributing centers; \$6-\$8 f.o.b. Rochester. Danish type \$20-\$25 to jobbers and \$12-\$13 f.o.b. New York Wealthy apples 75¢-\$1.10 per bushel basket. Rhode Island Greenings \$2.75-\$3.25 per barrel in New York City; \$2.50 f.o.b. Rochester. Rhode Island Greenings and Baldwins, in bushel baskets sold at 75¢ f.o.b. Rochester.

Average price of Middling spot cotton in 10 designated markets advanced 12 points, closing at 12.96¢ per lb. December future contracts on the New York Cotton Exchange advanced 12 points, closing at 13.44¢, and on the New Orleans Cotton Exchange they advanced 15 points, closing at 13.50¢. Oct. futures on the New Orleans Cotton Exchange advanced 19 points, closing at 13.40¢.

Grain prices quoted: No.1 dark northern-Minn. \$1.43-\$1.52; St. Louis \$1.41. No.2 hard winter-Kansas City \$1.35-\$1.40. No.2 yellow corn-Kansas City 78¢. No.3 yellow corn-St.Louis 76¢; Minn. 74¢. No.3 white oats - St.Louis 44¢; Minn. 42¢; Kansas City 44¢.

Closing prices on 92 score butter: New York 47¢; Chicago 45 1/2¢; Philadelphia 48¢; Boston 46 1/2¢.

Closing prices at Wisconsin primary cheese markets: Single Daisies 24¢; Longhorns 24 1/4¢; Square Prints 25¢. (Prepared by Bu. of Agr. Econ.)

| Industrials and
Railroads | Average closing price | Oct. 14, | Oct. 13, | Oct.14,1925 |
|------------------------------|-----------------------|----------|----------|-------------|
| | 20 Industrials | 152.10 | 150.78 | 148.96 |
| | 20 R.R. stocks | 117.68 | 115.95 | 102.14 |

(Wall St. Jour., Oct. 15 .)

DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 14

Section 1

October 16, 1926.

SOUTH AND FARM RELIEF The New York Times to-day reports: "A movement designed to swing the cotton State delegations in Congress behind the Midwest combination of Democrats and Republicans who are pledged to the support of the price-fixing plan of farm relief embodied in the McNary-Haugen bill was launched at Washington yesterday by Walton Feteet, Washington representative of the southern and western farm relief forces. At the same time announcement was made by Representative Eugene Black, a Texas Democrat, that he will urge legislation to relieve the Federal Government of authority to make periodical estimates of the probable yield of cotton, based upon reports filed by its agents in the field. These were the day's important developments in connection with the economic crisis that has developed in the cotton States due to a drop in prices which southern leaders contend is directly traceable to the Government estimate that the cotton yield this year would reach 16,627,000 bales. "

ALL-SOUTH COMMITTEE CANVASS An Associated Press dispatch from Memphis to-day says: "A systematic and accurate canvass of the cotton industry of America is to be made for the first time in history, in furtherance of the program for stabilizing the cotton market, the executive committee in charge of the South-wide movement for relief announced last night. The canvass, which the committee hopes to have completed by the first of November, will be carried to the county and precinct in which sub-committees will be appointed to procure the data on which the acreage reduction movement will be based, a statement for the executive committee by Oscar Johnston, of Memphis, declared."

VIRGINIA APPLE TRANSPORTATION Deal, of Virginia, headed a delegation from that State yesterday which appealed to President Dalton, of the Emergency Fleet Corporation, for ships in which to move into export trade a Virginia apple crop aggregating 336,000 cubic feet in cargo space. President Dalton agreed to provide two additional Government freighters for the movement."

NEW JERSEY FARM YIELD A Trenton, N.J., dispatch to the press to-day says: "In a report presented to Governor Moore yesterday by William B. Doryee, Secretary, State Department of Agriculture, announced that, taken as a group, the farming industries of New Jersey are on the upgrade. The annual yield, it said, had reached a value of \$75,000,000. In the last year several projects were inaugurated by the department to better the living and working conditions of the agriculturists. Among these were a survey of the possibilities of increased use of electricity on the farm, improved transportation of products to markets when demand is greatest, a study of credit and financing conditions with the aid of the State Bankers' Association....."

1. The first part of the paper

is devoted to

the study of the

properties of the

operator T

defined by

$Tf(x) = \int_0^x f(t) dt$

for

$f \in L^1(\mathbb{R})$

and

$x \in \mathbb{R}$

is

the following

theorem

Let $f \in L^1(\mathbb{R})$

and

$Tf \in L^1(\mathbb{R})$

then

$\|Tf\|_1 \leq \|f\|_1$

and

$Tf \in L^1(\mathbb{R})$

implies

$f \in L^1(\mathbb{R})$

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Section 2

Cotton Supply A New Orleans dispatch to the press of October 15 says: "The promised supply of cotton is not too great to be handled in the regular trade channels, and is needed to meet the growing demands for manufactured goods, Colonel H.G.Hester, secretary of the New Orleans Cotton Exchange, declared in a statement issued at New Orleans, October 14, at the request of the board of directors of the exchange...."

Hubbard on Cotton's Future The New York Times of October 14 says: "There is a reigning optimism regarding the outlook for raw cotton to recover its true value in the near future, said Samuel T. Hubbard, jr., president of the New York Cotton Exchange, October 13, on his return from New Orleans, La., where he attended a private conference of bankers, cotton shippers and officials of cotton exchanges. The consensus of those at the conference, he said, was that the investing public and the spinners would soon recognize that cotton was worth more than the price at which it was quoted now on the market. 'The present cotton situation was thoroughly discussed,' Mr. Hubbard said. 'Several resolutions were adopted, and their substance is materially as follows: That cotton at the present level is below the cost of production and, this being the case, it is a safe and attractive commodity for investment; that spinners may now well be urged to anticipate their requirements not only for the present season but for at least a portion of the season of 1927-28, and even periods beyond, in view of the anticipated acreage reduction for the next crop and the uncertainty of the growing season. It was the further sense of the resolutions that there is an abundance of money available through the banking institutions for liberal advances on cotton at the present price, and the bankers of the South were urged so to inform the cotton producers and merchants. Counsel was extended to the farmers that they go ahead with the harvesting of their crops before the elements damaged the quality. They were cautioned to sell as little as possible at the present level and to store the remainder in dry places and hold it for better prices. They were urged further to make a substantial reduction in the cotton acreage for next year.'....."

New York Milk The New York Times of October 15 says: "Dr. Louis I. Harris, Health Commissioner, in a communication to Mayor Walker October 14, denied the charge of Ogden L. Mills, Republican Gubernatorial candidate, made in a speech at Binghamton, N.Y., that, because of laxness of Health Department officials in the Bronx, 74 per cent of the milk now being sold in that borough was adulterated...."

Section 3

Department of

Agriculture Richard Spillane is the author of a vivid description of "When the Bureau Hit the Market," in Commerce and Finance for October 13. He says in part: "There have been more dramatic sessions of the New York Cotton Exchange than that of last Friday. There have been some with far wider fluctuations and much larger dealings. But not many that brought more doleful suggestions. It was Bureau Day--the time for the Government's semi-monthly report on condition of the crop and prospective total yield. Many persons are predisposed to doubt the Government's

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the transparency and accountability of the organization. This section also outlines the various methods used to collect and analyze data, ensuring that the information is reliable and up-to-date.

2. The second part of the document focuses on the implementation of the proposed changes. It details the steps involved in the transition process, from the initial planning stage to the final execution. This section also addresses the potential challenges that may arise during the implementation phase and provides strategies to overcome them. The document stresses the need for clear communication and collaboration among all stakeholders to ensure a smooth transition.

3. The third part of the document discusses the long-term impact of the proposed changes. It analyzes the potential benefits and risks associated with the implementation of the new system. This section also provides recommendations for ongoing monitoring and evaluation to ensure that the system remains effective and efficient over time.

4. The fourth part of the document provides a summary of the key findings and conclusions. It reiterates the importance of the proposed changes and the need for continued support and commitment from all stakeholders. The document also includes a list of references and a glossary of terms used throughout the text.

findings and criticize the methods under which they are obtained, but the acts of a Government bureau are official and, as no better system has been devised for gauging the crop, they are and must be accepted as the most trustworthy available if not obtainable. Bureau Day always has possibility of surprise. This bureau report had not an unusual degree of that element, yet in its effects it may rank as one of the most important in years. Naturally there was a big gathering on the floor of the Exchange....Someone, some day, may be able to describe fittingly the cotton pit, the grain pit or the floor of the New York Stock Exchange when the markets are boiling, but no one has done it yet as it should be done. That cotton pit was a roaring riot before the bell rang to halt dealings and await the report....In village, in town and in city of every State of the South the bureau report was one of sorrowful suggestion. At one time last year December cotton in the New York market sold above 26 cents. There is a broad chasm between that figure and the price at which cotton sells to-day....What it means to the United States is suggested by the action of the stock market, which broke badly the day the bureau report was issued and broke some more the day following."

Section 4
MARKET QUOTATIONS

Farm Products Oct. 15: Chicago livestock quotations: Top price of hogs at \$14, and bulk of sales at \$11.40 to \$13.85.

Maine sacked Green Mountain potatoes \$2.65-\$3.15 per 100 pounds in eastern cities; bulk stock \$2.30-\$2.40 f.o.b. Presque Isle. Wisconsin and Minnesota round whites \$2.15-\$2.35 carlot sales in Chicago; \$1.85-\$2 f.o.b. Waupaca, Wisconsin and \$2.10-\$2.15 f.o.b. Minnesota points. New York and midwestern yellow onions \$1.65-\$2 sacked per 100 pounds in consuming centers; \$1.40-\$1.50 f.o.b. Best New York Elberta peaches at \$1-\$2 per bushel basket in terminal markets; New York Rhode Island Greening apples at \$2.75-\$3.25 per barrel in New York City; \$2.50-\$2.75 f.o.b. Rochester. Michigan Jonathans \$4-\$4.50 in Chicago.

Average price of Middling spot cotton in 10 designated markets declined 7 points, closing at 12.89¢ per lb. December future contracts on the New York Cotton Exchange declined 11 points, closing at 13.33¢, and on the New Orleans Cotton Exchange they declined 10 points, closing at 13.40¢. October futures at New Orleans declined 10 points to 13.50¢.

Closing prices on 92 score butter: New York 47¢; Chicago (Not received) Philadelphia 48¢; Boston 46 1/2¢.

Closing prices at Wisconsin primary cheese markets: Twins 23 1/2¢; Single Daisies 23 1/2¢; Longhorns 23 3/4¢; Square Prints 25¢.

| Industrials and
Railroads | Average closing price | Oct. 15, | Oct. 14, | Oct. 15, 1925 |
|------------------------------|-----------------------|----------|----------|---------------|
| | 20 Industrials | 147.95 | 152.10 | 149.18 |
| | 20 R.R. stocks | 115.62 | 117.68 | 101.93 |

(Wall St. Jour., Oct. 16.)

DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 15

Section 1

October 18, 1926

"BURN-A-BALE" MOVEMENT

A Bamberg, S.C., dispatch to the press to-day says: "A 'burn-a-bale' movement, to supplant the 'buy-a-bale' slogan of a decade ago, has been launched by cotton planters and business men of Bamberg County in cooperation with the Bamberg Board of Commerce. The plan calls for destruction of 4,000,000 bales of cotton throughout the Southern States. It provides that every man who agrees to burn a bale shall deliver it to some conveniently designated point in his community, obtain an official receipt, which will guarantee return of the bale to its owner unless 4,000,000 bales can be accumulated for the great 'bonfires.' It is planned to have the burning all over the South at the same time, on a day set apart for the purpose. Originators of the idea believe it the quick way to accomplish higher prices for cotton."

COTTON EXPORTS

A New Orleans dispatch to-day says: "Exports of cotton this season, which are 135,000 bales in excess of last season, appear to justify expectation of exports totaling 10,000,000 bales. A great hue and cry has gone up recently from all southern ports, that the supply of tonnage is insufficient to carry cotton ear-marked for export in the near future, and appeals have been made to the United States Shipping Board to assign more tonnage. This does not mean that there is not enough tonnage to meet ordinary requirements, but it does mean that prospective freight room is insufficient for the enormous amount of cotton arriving for ultimate export. The amount of cotton brought into sight last week totaled 930,331 bales, by long odds the biggest movement of cotton to market for a single week on record. The receipts at the ports alone during the week totaled 533,884 bales, all of which is intended for eventual export. Port stocks on Friday totaled 1,807,131 bales, compared with 1,512,809 bales a year ago. These facts would appear to justify the expectation of huge exports for the balance of the season."

COTTON CIRCLES HOPEFUL

A New Orleans dispatch to the press to-day says: "The past week has witnessed something like old-time activity in the cotton contract market and although there has been nothing like violent revival in evidence the market has shown a substantial recovery from the collapse that followed the Government report of a week ago. Thus the December option, which sold as low as 12.26 immediately after the issue of the big crop estimate, traded as high as 13.71 just a week later, a recovery of 145 points, or not far from \$7.50 a bale...."

EGYPTIAN COTTON CRISIS

A Cairo dispatch to-day says: "Egypt is on the verge of a serious economic crisis, owing to a slump in the cotton market. The whole country is imploring the Government to take action, though it is not clear just what the authorities can do to stave off disaster....The newspapers advise the holding of a portion of the crops by the agricultural syndicates and the prohibition of cotton cultivation in upper Egypt, the Government making advances to small farmers and entering the market as a buyer...."

Section 2

Cotton Co-operatives An editorial in The Journal of Commerce for October 15 says: "The president of one of the southern cotton 'cooperatives' gives it out authoritatively that his association will not sacrifice its holdings of cotton at prevailing prices and that 'it would be suicidal for the co-operatives to violate the principles of orderly marketing by continuing to sell cotton at this time.' According to him his association is financially 'in good shape' and can get 'money in unlimited quantities.' It will, therefore, follow the plan of holding the product off the market until prices improve. This is a show of courage which in itself is highly commendable, although it is suggestive of the whistling for that purpose which is traditionally of no avail. The real test to which the cooperatives have never been subjected is now to be met--their power to follow a sound economic policy when cotton prices are falling instead of rising. Will they endeavor to hoard the crop, or will they accept the proven economic fact that to carry the product over from one season to another is sure to result in a great unsold supply which must prove disastrous in the long run? As to the 'unlimited money'; the cooperative associations, of course, do not manufacture 'money,' but they must, and do, get it from the banks. Will these institutions 'carry' the growers' associations indefinitely if the latter stick to a dangerous economic policy? That is the real issue, and nothing else."

Cotton Restriction An editorial in The New York Times of October 15 says: ".... With cotton, as with grain, the vicissitudes of a season's weather may make all the difference between seeming overproduction and visible underproduction. There is no possibility of such periodical 'adjustment of production to consumption' as is now being applied in manufacturing industry, and therefore such proposals as the Memphis conference is submitting for a uniform '25 per cent curtailment in cotton acreage' would be difficult to enforce and extremely hazardous in possible results.....The huge crop of 1926 is a natural result, with a fall in cotton's price this month nearly to 13 cents--less than the average price reckoned by the Government in 1911. It is possible that this price is below the cost of production for all but the most favorably situated. Under such circumstances, measures to avert the throwing of cotton on the market at a sacrifice by distressed producers are worthy of full approval. Restriction of acreage for the next crop is likely to result automatically, if prices remain at a low level. But arbitrary and sweeping curtailment, under outside orders, is a dangerous business. It not only takes no account of possible accidents of weather or insect plague in another season, but places in possible jeopardy the welfare of our foreign trade, our own textile industry, and the cost of clothing for the outside world. Above all, it promotes the economic fallacy that prosperity will be impaired by an abundant harvest if that means a lower price of the product to consumers."

Creamery Co-operation An editorial in Hoard's Dairyman for October 10 says: "It would be well for those who hold that farmers are unable to cooperate to reflect on the accomplishments of the Land O' Lakes Creameries Association. Starting from nothing five years ago, that organization now is doing a business of over \$40,000,000 annually. Over 400 creameries in Minnesota, Wisconsin, and North Dakota are selling their butter co-operatively and under a brand. The growth of this cooperative enterprise has been nothing short of marvelous and its success can be

attributed to the willingness of the patrons of these creameries to work together....This association has its own plant located in Minneapolis and employs a force of almost 200 workers. The butter manufactured by the creameries belonging to the association is being sent to all parts of the United States and has a reputation of being good butter. This association is also engaged in the manufacture of powdered buttermilk. It sells carloads of sweet cream each month and is beginning to handle eggs and cheese...."

French Trade

During the first eight months of 1926, France's trade with foreign countries aggregated for imports 35,146 million francs and for exports 31,921 million francs, while trade with French colonies and protectorates, according to advices received by the Bankers Trust Company of New York from its French information service, totaled 4,520 million francs for imports and 5,590 million francs for exports. The visible balance from January to August 1926 thus shows a deficit of 3,225 million francs as regards foreign trade, while trade with the colonies on the contrary, shows a surplus of 1,070 million francs. When compared with the figures for the corresponding period of 1925, imports from foreign countries show an increase of 12,111 million francs and exports of 7,281 million francs. For the corresponding period of 1925 the balance was favorable, exports exceeding imports by 1,605 million francs.

Forest Growth

The United States is approaching a new balance between the forest use of land and other use, according to a study being made by the National Lumber Manufacturers Association. Under the title, "The Renewable Forest Resources," the results of the study are set forth with the conclusion that the country is about at a period of adjustment, where the farms will not much further penetrate the forests, "or the grain conquer the trees." According to lumber manufacturers, the country is reaching an economic position, permitting profitable prices for forest products where the growth and tree use will tend to balance each other. Both of these probabilities make for the perpetuation of the forests, they assert.

Gary on Business Conditions Theo. H. Price, in his review of the week, in Commerce and Finance for October 13, says: "On his eightieth birthday Judge Gary gave out an interview in which he said that he was 'becoming more and more convinced that there is no necessity for any important slump in business in this country at any time.' When the statement was published most people seemed to agree with it, but almost ever since the stock market has been declining and the wisdom of the old adage 'sell on good news' has been demonstrated afresh. It is the fashion to ascribe the decline in securities to the decline in cotton and the impairment of purchasing power that it will cause in the Cotton Belt. There is logic in this ascription, for even though cotton may rally it seems improbable that the southern farmers can recover the cost of producing this year's crop. Some of them may be able to hold. They are being wisely encouraged to pursue this policy, but most of them will have to sell and the best that can be hoped for is that they will reduce their losses to a minimum by deliveration in marketing the product of their toil.... But it would not be fair to hold cotton exclusively responsible for the decline in the stock market. It has been for some time evident

that most securities were selling at or above their intrinsic value and that a reaction would come whenever anything happened to change speculative sentiment."

Section 3
MARKET QUOTATIONS

Farm Products For the week ended Oct. 16: Livestock quotations: The Chicago hog market is generally steady. Compared with a week ago fed steers and yearlings are 50 to 75¢ higher, feeder steers 20 to 40¢ up, fat cows and heifers unevenly 25 to 50¢, mostly 50¢ higher, vealers \$1 to \$1.50 lower, heavy calves about steady. Fat lambs are 15 to 40¢ lower, yearling wethers around 50¢ lower, sheep and feeding lambs about steady. New York wholesale fresh meat market, western dressed, good grade meats, is 50¢ lower on steer beef, around \$3 lower on veal, steady on lamb mutton and light pork loins and weak to \$1 lower on heavy loins.

Maine sacked Green Mountains firm at \$2.65-\$3 per 100 pounds in eastern markets. Wisconsin sacked Round Whites 15-20¢ higher in Chicago at carlot sales. Sweet potatoes slightly weaker. New Jersey yellows \$1-\$1.65 per bushel hamper. Tennessee Nancy Halls 75¢-\$1. Cabbage tended downward. Northern stock \$13-\$14 in Chicago; \$11-\$12 f.o.b. Racine, Wisconsin. Apples dull. New York Wealthys 75¢-\$1.25 per bushel basket. Michigan Jonathans \$4-\$4.50 in Chicago.

Butter markets were moderately firm during the week and prices advanced. Light supplies were a big factor. Use of storage butter increased and as a result storage withdrawals were very satisfactory. Production conditions are considered favorable. Cheese markets continued the firm trend of recent weeks and prices on the Wisconsin cheese boards of Oct. 15 showed no change with the exception of an advance of $\frac{1}{4}$ ¢ on the Farmers' Call Board. Trade was only moderate with production showing decreases. Some shipments of Canadian cheese are being received.

Average price of Middling spot cotton in 10 designated markets advanced 20 points during the week, closing at 12.52¢ per lb. December future contracts on the New York Cotton Exchange advanced 11 points, closing at 12.92 and on the New Orleans Cotton Exchange they advanced 19 points, closing at 12.97. October futures at New Orleans advanced 31 points, closing at 12.93¢.

Hay market generally firm with moderate receipts and fair demand. Prices tending upward some markets. Prices advancing New York, Cincinnati and Chicago. Demand good, all hay moving readily. Feed market generally draggy. Wheatfeeds dull and lower. Offerings in excess of consumers' takings. Cottonseed meal again lower. Linseed meal barely steady at Chicago but prices sagging at Buffalo and Minneapolis. Cornfeeds weak. Gluten meal reduced at Chicago. Hominy barely steady. Alfalfa meal quiet. (Prepared by Bu. of Agr. Econ.)

DAILY DIGEST

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Vol. XXIII, No. 16

Section 1

October 19, 1926

COTTON MEN MEET

PRESIDENT'S COMMITTEE

The press to-day reports: "A committee from the American Cotton Growers' Exchange of Memphis conferred yesterday with the President's special cotton committee to talk over the general situation regarding the large surplus crop. After the conference it was stated that the 'problem' had been discussed and the 'remedy' would be talked about to-day. Eugene Meyer, jr., head of the Presidential committee, announced that no definite action had been taken, as the committee was merely trying to ascertain the facts and the views of the southern cotton planters. The delegation which came to Washington was headed by John T. Orr of Dallas, president of the Texas Farm Bureau Cotton Association and also a prominent figure in the Memphis Exchange. It was said here that the Memphis organization represents a great proportion of the cotton growers, its 300,000 members raising 1,191,000 bales last year. The 'problem' before the cotton growers is how to take perhaps 25 per cent of the present crop off the market. It is said that the financial difficulty will not be insurmountable, particularly as the Government has announced that \$30,000,000 will be available to help the cotton farmers, but the distributing of the funds between the States and transporting and storing the surplus cotton is a task of great magnitude, with many details to be worked out.

"Secretary Mellon said yesterday that the McFadden banking bill, now pending in Congress, could be used to aid the cotton situation. 'It is not perhaps generally known,' said the Mellon statement, 'that the bill, which has passed both Houses of Congress and is now pending in conference owing to differences of view on some questions, may be an important factor in handling the cotton situation. For a number of years the cooperative cotton marketing organizations and many cotton planters have had difficulty in securing adequate accommodations from their local banks. It was largely in response to the recommendations made by them and their banks to Congress that Section 10 was inserted in the banking bill, which would permit National Banks to make larger loans upon such readily marketable agricultural products as cotton, grain and the like.....'"

FORD ASKED TO BUY

COTTON

A Gadsden, Ala., dispatch to the press to-day says: "In a telegram to Henry Ford made public at Gadsden yesterday, Representative M.C. Allgood, of the Seventh Alabama Congressional District, asked him to buy 2,000,000 bales of this year's cotton crop to stabilize prices. Mr. Allgood's request said that 'cotton and cotton farmers have no protection from gamblers who have forced the price far below cost of production,' and that stabilization not only would benefit the whole South but would help the Detroit manufacturer's southern agencies."

"BURN-A-BALE" PLAN

DISAPPROVED

The press to-day says: "Both Secretary Mellon and Eugene Meyer, jr., chairman of the President's cotton committee, yesterday frowned upon agitation in South Carolina for a 'burn-a-bale-of-cotton' campaign to replace the 'buy-a-bale' slogan of previous hard years. The idea of burning 4,000,000 bales of cotton to get rid of the present surplus was thought uneconomic. Mr. Mellon believed the cotton may be needed later and Mr. Meyer declared he was opposed to any scheme which would destroy the rightful products of mankind."

Section 2

Cotton Con- An editorial in The Economist for October 16 says: "Unwilling-
ditions ness of farmers in every section of the country to check down on their
production and their preference to have recourse to Congress to save
their faces has never before been so keenly indicated than the recent
break in the cotton market disclosed. Southern bankers, however, have
blazed a trail toward a plan for rectifying errors of agriculture which
is worthy of emulation in the wheat and corn districts of the North.
Something unusual was recently accomplished by the South Carolina
Bankers' Association at a meeting called to consider the serious situa-
tion in the cotton market. To diagnose the case and decide on the rem-
edy was comparatively easy. But the unusual part was in the adoption
of the necessary instrumentalities for putting the plan into immediate
operation. In this respect the South Carolina action is unique. Other
meetings have been called in other States before this one. All rec-
ognize the trouble is too much cotton, more than the market can digest.
The remedy is to stop the forcible feeding of cotton to the market and
keep the surplus until the consumer is ready for it, instead of cram-
ming it down the market throat at once. Also all recognize the fact
that if 35,000,000 acres will produce all the cotton the market can
consume, the situation can not be cured so long as 50,000,000 acres
are planted. The fashion has been to state these obvious facts, ad-
vise the farmer to store his cotton, and the country banker to extend
his loans so that the farmer can carry his cotton. This is as far as
the counsel gets. There is no more coherence among the farmers and
country bankers than in a mob. Lack of cohesion and leadership is what
makes a mob ineffective against a disciplined body. But the South
Carolina bankers, after showing the farmers the necessity of warehous-
ing their cotton and promising to loan 80 per cent of its market value,
set out to have this done...."

Cotton An editorial in The Journal of Commerce for October 16 says:
Credit "As was to have been expected, those curious institutions, the
'intermediate credit banks,' have been pushed forward as a means of
saving the situation in the cotton region. The President's Cotton
Committee has been looking into the question what they could do and
advice has been furnished that the 'intermediates' are in position
to discount cotton notes on a very large scale. The notes so taken
would under certain conditions be eligible for transfer to the Federal
Reserve banks. These proposals or suggestions are worthy of careful
notice just at this time. Some years ago when the intermediate credit
banks were created, some observers saw considerable danger in that
type of organization. The possibility of any such hazard was ridiculed
by friends of the system, and it has been repeatedly stated from that
time to this that experience has amply justified the new banks. The
reason, of course, has been found in the fact that prices have been
stable or rising since that time, or, in other words, the fact that
the intermediate credit banks have never had any serious difficulties
to contend with. They now face a depression in the cotton market which
will undoubtedly subject them to a severe strain if they allow them-
selves to be run away with. Just what will they do in these circum-
stances? As a matter of fact they can do nothing more than any other
banks could do if they are governed by the same dictates of banking
prudence as others. The cotton situation seems likely to provide about
the first test of intermediate credit that we have had."

Cotton

Remedies

An editorial in The Wall Street Journal for October 18 says: "There is no easy remedy for the present crisis in cotton; the various panaceas now being offered are fallacious; the one-crop system is to blame for the situation; to get away from it will require intelligent study and willingness to work. This is the substance of a letter to the Governor of Arkansas, written by E.J. Bodman, vice president of the Union Trust Company of Little Rock and chairman of the Committee on Agriculture of the Bankers' Association of Arkansas. Mr. Bodman is on the right track, and for the good of the country it is to be hoped that he will continue on it and evolve a definite plan of procedure which his association will adopt and enforce. In discussing the panaceas now being offered, Mr. Bodman states that merely taking a certain amount of cotton from the market and warehousing it will not save the situation. He certainly is correct. In order that the price of any commodity will be fair for both producer and consumer the supply must approximate the demand. Place on the table twice as much food as a man can consume and he will not be able to eat more than usual. Putting the surplus in the pantry, while from day to day supplying his normal requirements, will not stimulate his appetite. His demand for food would still be governed by his capacity to digest it. The cotton situation is no different. There is no such thing as getting away from the law of supply and demand. The man who attempts it must pay the penalty. The South has been ignoring that law and now is brought face to face with the inevitable result. It is now possible to raise far more cotton than the world can consume. No matter what may have been the custom in the past, the South must turn its back on the one-crop system of farming...."

Foot and
Mouth in
Britain

An editorial in The Journal of the Ministry of Agriculture (London) for October says: "The Minister of Agriculture is being pressed by the Dutch Government, and also by the importers of fresh meat from Holland, to withdraw the prohibition of the importation of carcasses so far as it relates to fresh meat from Holland, on the ground that the precautions taken in Holland to ensure the careful slaughtering of the animals and the cleanliness and efficient inspection of the carcasses exported to Great Britain, offer a sufficient guarantee that carcasses capable of carrying infection would not be sent to this country. It has also been claimed that experiments which have been carried out by a competent authority in Holland have demonstrated that the virus of foot-and-mouth disease does not survive in the carcasses of pigs killed in the incubative or eruptive stage of the disease. These experiments, even if confirmed, do not affect the experience gained in Great Britain. In this country it was the practice to send to market the carcasses of such animals on an infected farm as seemed free from disease after a rigorous veterinary examination. Yet in numerous cases these carcasses proved to be carriers of infection and lighted up disease in other centers. If this can occur in Great Britain, where the outbreaks of foot-and-mouth disease are few, it is reasonable to conclude that the best inspection of carcasses in Holland, with its numerous cases, will not prevent the virus being brought therewith to this country. In this connection it should be stated that the prevalence of foot-and-mouth disease in Holland has increased considerably during the current year. During the month of June 3,591 farms were officially reported infected."

Gasoline Tax An editorial in Farm and Ranch for October 9 says: "A gasoline for Roads tax for the construction and maintenance of public highways is a popular method of getting road money in many States. The question of increasing the tax and reducing the vehicle license tax has been discussed for several years. Practically everyone is agreed that a gasoline tax for good roads is legitimate, but there is a difference of opinion as to whether or not all the tax should be used for that purpose. One argues that those who use the roads should pay for them, but another says: 'All users of gasoline do not use the public highways, and therefore should not be forced to pay a tax to be used exclusively for that purpose. Think of the millions of gallons of gasoline used by trucks and motors in the cities that never leave the city limits. What about the large quantities of gasoline used for other industrial purposes?' The argument is sound as far as it goes. The man who uses the city streets pays for the city paving and then is called upon to pave the highways, but paved highways help the cities even more than they do the country, and the city man who uses gasoline receives an indirect benefit therefrom. Again, all tax money comes from the same pockets. If we use all the gasoline tax for highways, we must dig down for more money to pay our other Government expenses. If we use only a part of the gasoline tax for roads and devote some of it to other purposes, we may have to let some roads go unimproved or pay for them by issuing bonds. It is six in one and a half dozen in the other. As a matter of fact, it is customary to tax the people to the limit, and it does not make much difference which pocket the collector reaches into."

German Potash Trust A Berlin dispatch to the press of October 18 says: "Representatives of the potash corporation are negotiating with the Minister of Industries for the foundation of an all-German potash trust in the form of a single corporation. Its probable capital will be 300,000,000 marks. Formation of this trust would involve disappearance or modification of the present potash syndicate."

Tennessee Tobacco The growing of tobacco in east Tennessee, according to an advertisement published by the Union National Bank in the Knoxville Journal for September 21, is rapidly reaching large proportions. Five years ago scarcely any tobacco was grown in the section. Last year about 21,000,000 pounds were marketed from the Appalachian Valley, "while the prospects this year are for a crop of 35,000,000 to 40,000,000 grown by some 14,000 farmers. Of this year's crop," continues the advertisement, "it is expected about 10,000,000 pounds will be marketed through Knoxville, bringing \$2,000,000 of new money into the section. Last year tobacco prices in Knoxville were higher than in any other Burley market." (Manufacturers Record, Oct. 14.)

Section 3

Department of Agriculture An editorial in The Florists Exchange for October 9 says: "Granting that the Japanese beetle is an undesirable alien and a dangerous enemy to plant culture; granting that the work of preventing or at least retarding its spread is a most laudable endeavor; and granting that the maintenance of a quarantine barrier around that part of the country known to be infested by the insect is to some extent an effective means of accomplishing that purpose, nevertheless the wide

1. The first part of the document is a list of names and addresses of the members of the committee.

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extension of the Japanese beetle quarantine area that goes into effect October 11 can not fail to give rise to cogitations....The detailed regulations to be enforced over the new Quarantined territory have not yet come to hand, but if they prove to inflict upon some thousand or more plant growing firms and nurseries such burdens as have been carried for several years by a few concerns located in the heart of the beetle area, they are going to constitute a serious obstacle to continued horticultural development throughout the important eastern plant producing section. Here, it will be recalled, are many firms which, under the urging of the Government, have at considerable expense and trouble taken up the culture of desirable materials no longer admissible from foreign countries. This work has taken time as well as money, and in some cases returns on the investment have not yet begun to come in. If a new set of restrictions or the extension of old ones is now going to interfere with the free distribution of these gradually maturing supplies of home-grown stock--either directly or by necessitating further additions to already high sales prices--where are these plantmen going to get off after all their efforts to give the American public American products?...Almost it would seem, at times, as though Government officials lose sight of the fact that no one is more interested in keeping the plants of the country clean and healthy than the men who grow them for a livelihood."

Section 4
MARKET QUOTATIONS

Farm Products Oct. 18: Grain prices quoted: No.1 dark northern Minneapolis \$1.43 to \$1.52. No.2 red winter St.Louis \$1.43. No.2 hard winter Kansas City \$1.37 to \$1.42. No.2 yellow corn Kansas City 77¢. No.3 yellow corn St.Louis 75¢; Minneapolis 72¢. No.3 white oats St.Louis 45¢; Minneapolis 42¢; Kansas City 44¢.

Average price of Middling spot cotton in 10 designated markets declined 19 points, closing at 12.34¢ per lb. December future contracts on the New York Cotton Exchange declined 15 points, closing at 12.77¢, and on the New Orleans Cotton Exchange they declined 20 points, closing at 12.77¢. October futures at New Orleans declined 22 points, closing at 12.71¢.

Closing prices on 92 score butter: New York 47¢; Chicago 45¢; Philadelphia 48¢; Boston 46 to 46 1/2¢.

Chicago hog prices closed at \$14 for the top, bulk of sales \$11.50 to \$12.75; better grades of beef steers are higher as are also cows and heifers, vealers, on the other hand, lost \$1.25 to \$1.50, while heavy calves are unchanged. Stocker and feeder steers are firm and slightly higher. Fat lambs show a slight advance but all other classes of sheep and lambs are steady.

Wisconsin sacked Round White potatoes \$2.25 to \$2.45 per 100 pounds carlot sales in Chicago; \$1.90 to \$2.05 f.o.b. Waupaca. Maine sacked Green Mountains \$2.85 to \$3 in eastern markets; bulk stock \$2.20 to \$2.25 f.o.b. Presque Isle. New York Danish type cabbage \$18 to \$22 bulk per ton in eastern cities; \$12 to \$13 f.o.b. Rochester. New York and Midwestern Yellow varieties of onions mostly \$1.65 to \$1.85 sacked per 100 pounds in consuming centers; \$1.30 to \$1.50 f.o.b. New York Rhode Island Greenings and Wealthy apples \$3 to \$3.25 per barrel in New York City. At Rochester f.o.b. sales of Rhode Island Greenings were made at \$2.50 to \$2.75. Eastern Grimes \$2.50 to \$3 in Philadelphia. (Prepared by Bu. of Agr. Econ.)

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Vol. XXIII, No. 17

Section 1

October 20, 1926.

GOVERNMENT AID

FOR COTTON

The press to-day reports: "State financing corporations to assist cotton growers through the present emergency and help take care of a prospective surplus production of 4,000,000 bales of cotton were decided upon yesterday by the special committee created by President Coolidge to deal with the situation. This procedure was described as 'a practical and effective means of supplementing the facilities of existing agencies' in a statement issued yesterday afternoon at the close of a series of meetings by the President's committee. Eugene Meyer, chairman of the War Finance Corporation and also of the committee, will start through the South to-day on a trip to ascertain conditions first hand. He will visit the more important cotton centers to study facilities for growing, warehousing, financing and marketing. Plans are to be perfected on his return. The other members of the committee are Secretaries Mellon, Jardine and Hoover, Commissioner Williams of the Farm Loan Board and George R. James of the Federal Reserve Board. The two last named were added to the committee by President Coolidge yesterday.

"The proposed plan to have financing corporations created in each cotton State is intended--during the period of the emergency--to bring the funds available through intermediate credit banks closer to the individual growers. Intermediate credits are extended now to cooperative associations and through them to the individual borrower. It is hoped that by having the additional organizations created there will be the possibility of a broader use of funds, since the cooperative associations are not sufficient to reach all the growers...."

CORN BELT PLANS

A Des Moines, Iowa, dispatch to the press to-day says: "Plans for a new and more vigorous fight by the Midwest for legislation to place agriculture in a more favorable position were considered in a closed executive conference at Des Moines, October 19, of representatives of farm organizations. The meeting was the annual gathering of the Grain Belt Federation of Farm Organizations, composed of more than thirty farm bodies. A legislative program was outlined that will include a campaign throughout the Middle West for public support and a concentrated effort in Washington this winter for passage, at the short session of Congress, of an act to care for surplus agriculture production and measures to alleviate economic pressure upon the farmers. The conference decided upon a method of financing the program through a five cent per capita levy against each member, the total to amount to about \$15,000...."

LOWER TARIFF

APPEAL

An Associated Press dispatch to-day from London says:

"Another attempt to find a cure for the financial and industrial difficulties of Europe was launched yesterday in the form of a manifesto signed by an unusually long list of bankers and industrialists of international note, including J.P. Morgan of New York....The significance of the manifesto is felt to lie more in the weight of its signatories than in its subject matter, which is simply an appeal for removal of the many barriers which in various ways are obstructing the restoration of European pre-war international trading and exchange...."

The press to-day says: "President Coolidge's informal reaction to the manifesto issued by European financiers,...suggesting a lowering of international tariffs is that not much could be done in that direction by the United States without jeopardizing our own industrial position and present prosperity...."



Section 2

Cotton
Price

An editorial in Northwestern Miller for October 13 says: "The calamitous break in cotton prices represents something like disaster to the cotton producing States of the South....Secretary Jardine, with remarkable optimism, says that the intrinsic value of cotton is not changed, that he does not share the view that a large crop and heavy prospective carry-over is a misfortune, and that, on all accounts, a heavy reserve of cotton to be used in balancing years of heavy or short production would be stabilizing and beneficial influence. He regards the present as an exceptional opportunity to establish such a reserve. That might indeed be true, could such a reserve be so held that it would not at all times constitute a threat to prices. It would, however, be difficult so to place the control and disposition of a reserve that its always impending release would not establish a permanently lower level of world cotton prices. Cotton, unlike grains, may be held indefinitely, and a vast reserve of supplies could hardly be beneficial unless, perhaps, in discouraging seeding and thus ultimately reducing production...."

Cotton
Relief

An editorial in The Journal of Commerce for October 18 says: "A reading of current headlines and newspaper articles carries the observer of reasonably long memory back to the summer and autumn of 1914, when cotton as a result of the overproduction and of war conditions had been driven down to a nominal figure. All of the same expedients that are now being furbished up then did duty. The idea of withdrawing cotton from the market, 'buying a bale,' using Federal Reserve credit to 'carry' cotton, destroying a large quantity of the existing supply, finding new uses for cotton and a variety of others were common conversation. But, on the other hand, nothing has ever been done to guard against a repetition of the experience. Can anything be done? Perhaps the most promising of all the schemes that were talked over in 1914 and sporadically afterward was the notion of crop diversification. This is again making its appearance to-day....Another phase of the same situation deserves attention. Within the past five years great good has undoubtedly been done to the cotton planter through the operation of cooperative marketing organizations. They have reduced the cost of loan funds, improved the conditions of marketing and storing, lessened the expense of grading and sampling and generally cut down the gap between the consumer and producer. So they have given the farmer a distinctly larger net return for his crop....But the break in this circle will not come as a result of more preaching or homiletical effort. It will come only through enabling the southern farmer actually to get into another line of agriculture and that will be possible only through the progress of education and through the provision of the capital that he needs to make the change. He is not likely to bring the result about through his own unaided effort at any early date. It will be attained, if at all, through the cooperation of his State government supported by the more enlightened elements in the farming community. And these elements will have to be encouraged to set the example. If the bankers, business men and Government authorities generally would devote to this subject of agricultural reorganization a small fraction of the time they now spend in devising ways of taking cotton off the market and artificially 'boosting' its price, the question would be put in the way of solution, and increases in cotton production would take place only when actual values were such as to cover

the cost of production upon less favorable lands. Until that is done, crises of the kind now thought to have arrived in the cotton region will be a recurrent phenomenon and their cost will have to be borne by the farmer--chiefly by the small farmer."

Farmer Party A Tokio dispatch to the press of October 19 says: "Dormant in Japan economic elements have been injected into active Japanese politics by the organization October 12 of the Nippon Nominto, or Agrarian Party, of Japan, at a meeting of 800 delegates representing 100,000 tenants, landlords and yeomen. A lecture campaign will be immediately launched throughout the Empire, seeking members and educating the farmers preparatory to the next national election, when most of them will vote for the first time under the new suffrage law. The platform includes a national monopoly of agricultural products, fertilizers, water power, hospitals and pharmaceuticals and insurance...."

Food Prices The retail food index issued by the Bureau of Labor Statistics of the United States Department of Labor shows for September 15, 1926, an increase of about one and three-fourths per cent since August 15, 1926; a decrease of nearly one third of one per cent since September 15, 1925; and an increase of a little more than fifty-four and a half per cent since September 15, 1913. The index number (1913 = 100.0) was 159.0 in September, 1925; 155.7 in August, 1926; and 158.5 in September, 1926. During the month from August 15, 1926, to September 15, 1926, 14 articles on which monthly prices were secured increased as follows: Strictly fresh eggs, 15 per cent; potatoes, 8 per cent; pork chops, 5 per cent; butter, 4 per cent; round steak, rib roast, chuck roast, plate beef, fresh milk, evaporated milk, cheese, rolled oats and rice, 1 per cent; and sirloin steak, less than five-tenths of 1 per cent. Sixteen articles decreased: Onions, 10 per cent; macaroni, 4 per cent; canned red salmon and flour, 3 per cent; lard and cabbage, 2 per cent; navy beans, baked beans, canned peas and prunes, 1 per cent; and bacon, ham, leg of lamb, hens, tea and bananas, less than five-tenths of 1 per cent. The following twelve articles showed no change: Oleomargarine, vegetable lard substitute, bread, cornmeal, corn flakes, wheat cereal, canned corn, canned tomatoes, granulated sugar, coffee, raisins and oranges.

French Bread A Paris dispatch to the press of October 19 says: "Cargoes of **Cost** wheat bound for France are being sold and resold several times while on the seas, it was revealed October 18. Bread is getting dearer almost every day and the sole reason, says an evening paper, is this 'shameful speculation.'...Examples are cited of cargoes on the seas being sold successively at 100,000, 110,000, 120,000 and eventually 160,000 francs. Other ship loads are sent back to the port of origin by the last buyers, it is charged. It is stated that several cases of such illegal speculation have been complained of formally to the public prosecutor and action has been delayed. A municipal councillor has notified the Prefect of Police he intends to force a thorough investigation."

New York An editorial in The Wall Street Journal for October 19 says:
Milk "It is sufficiently clear that Governor Smith does not like the raising of the milk question, and that he would much prefer to have it regarded as a matter purely local to New York City with no bearing whatever upon

the governorship. He can plead that the State official chiefly responsible for the quality of milk, collected all over the State and supplied to the city, is not appointed by the Governor. He can also soft-pedal upon the Governor's powers of inquiry and removal. Mr. Mills has made a surprisingly good campaign so far, and he is right to pound away at the Question of milk. It is a State-wide question although New York City draws its supply from a number of other States as well, and even from Canada. The Governor of the State can see that milk is up to standard when it is delivered to the city, and one so close to Tammany Hall and its Health Department as Governor Smith can take good care that the standard is maintained when the milk is delivered to the city consumer. Legal requirements are that the milk shall contain 3 per cent of butterfat, that part which forms the cream and is the material for making butter. This is the minimum and, as with all such minimums so established, the legal percentage becomes the maximum. The milk will not in any case be better than 3 per cent, and the Tammany Health Department has not succeeded in preventing sales of milk containing less butterfat or none at all--in other words, skimmed milk.... It should be remembered also that there are many desirable solids in milk as well as the butterfat. The problems in this connection are for the breeder and the maker of butter rather than for the milk consumer... The large milk dealers with stations all over the State take everything over 3 per cent of butterfat as clear profit, and the milk they send to New York is a blend. The temptation to send painfully 'minimum' milk is only too evident."

Sugar Nego-
tiations

A Rio Janeiro dispatch to the press of October 19 says: "The Pernambuco sugar growers' combine will dump 1,000,000 bags of sugar in Europe to solve the crisis brought about by overproduction, which has forced down prices to what is declared to be a ruinous level and which is considered as having been the principal cause of the failure of the powerful Recife bank in July. The plan of the sugar men is based on the theory that the shipment out of the country of approximately one-fourth of the crop of the State of Pernambuco will bring up the local price to the desired level. This is now higher than the foreign quotation. As Brazilian production costs are higher than those in Cuba they expect to sell in Europe at a loss. Cuba is unable to ship sugar to Brazil owing to the protective tariff."

Yoakum on
Farm
Losses

A Hartford, Conn., dispatch to the press of October 19 reports: "The agricultural problem in its political, social and economic aspects, was discussed October 18 at a meeting of the Hartford Get Together Club. State Commissioner of Agriculture Phil P. Platt presided and the chief speakers were B.F. Yoakum of Farmingale, L.I., and Professor Julius H. Frandsen of the Massachusetts Agricultural College. The question considered was: 'Is the Farmer Getting a Square Deal?'... 'Those of us who are pleading for justice to the American farmer are in reality pleading for the undisturbed peace and protection of democracy upon which our Government was founded,' said Mr. Yoakum. 'The powers at Washington overlook the fact that all profits in the farming business are made at the marketing end and not at the producing end. The present tariff charge, about which so much is being said, is a mere bagatelle when compared with the enormous losses the farmers are forced to accept every year through the lack of control in marketing their products under a

nationally organized system. The average tariff paid on all foreign business coming into this country for the last three years was \$579,000,000 per year. The average unnecessary yearly loss to farmers is over nine billion dollars.' Mr. Yoakum gave a tabulation to show that \$9,600,000,000 could be saved to farmers and consumers under a well-organized national marketing system. The total mortgage indebtedness of the American farmer is approximately twelve and a half billion dollars, which exceeds Europe's debt to the United States, he declared. He opposed the McNary-Haugen bill as based upon the belief that the farmer is not capable of conducting his own business and advocated the national commodity organizations proposed by the Curtis-Aswell bill."

Section 3
MARKET QUOTATIONS

Farm Products Oct. 19: Chicago hog prices closed at \$13.90 for the top, bulk of sales \$11.60 to \$13.70. Beef steers, choice \$10.65 to \$12.25; heifers, good and choice, \$8 to \$11.50; common and medium \$5.75 to \$8.75; cows, good and choice \$5.75 to \$7.85; low cutter and cutter \$3.65 to \$4.75; vealers, medium to choice \$9.50 to \$13, heavy calves, medium to choice, \$6.25 to \$8.75; fat lambs, medium to choice, \$12.25 to \$14.85; yearling wethers, medium to choice, \$9.75 to \$12.75; fat ewes, common to choice, \$4.75 to \$7; feeding lambs, medium to choice, \$12 to \$13.85.

Maine sacked Green Mountain potatoes sold at \$2.75 to \$3 per 100 pounds in a few eastern markets; bulk stock few \$2.20 to \$2.25 f.o.b. Presque Isle. Michigan sacked Round Whites \$2.65 to \$2.85. Wisconsin Danish type cabbage \$13 to \$14 bulk per ton in Chicago; \$11 to \$12 f.o.b. Racine. New York and Midwestern yellow varieties onions sold at \$1.50 to \$1.85 sacked per 100 pounds in consuming centers; \$1.30 to \$1.45 f.o.b. New Jersey yellow varieties sweet potatoes \$1 to \$1.50 per bushel basket. Virginia stock \$1.75 to \$2.75 per barrel in eastern cities; \$3 in Chicago.

Grain prices quoted October 19: No.1 dark northern Minneapolis \$1.45 to \$1.54; No.2 red winter Chicago \$1.41; St.Louis \$1.43. No.2 hard winter Chicago \$1.46; Kansas City \$1.38 to \$1.42. No.2 yellow corn Chicago 78¢; Kansas City 78¢. No. 3 yellow corn St.Louis 75¢; Minneapolis 73¢. No.3 white oats Chicago 44¢; Minneapolis 42¢; Kansas City 45¢.

Average price of Middling spot cotton in 10 designated spot markets declined 2 points, closing at 12.32¢ per lb. December future contracts on the New York Cotton Exchange declined 5 points, closing at 12.72¢, and on the New Orleans Cotton Exchange they declined 8 points, closing at 12.69¢. October futures at New Orleans declined 15 points, closing at 12.56¢. (Prepared by Bu. of Agr. Econ.)

| Industrials and
Railroads | Average closing price | Oct. 19, | Oct. 18, | Oct.19,1925 |
|------------------------------|-----------------------|----------|----------|-------------|
| | 20 Industrials | 145.66 | 148.20 | 103.86 |
| | 20 R.R. stocks | 115.28 | 115.76 | 92.15 |
| (Wall St. Jour., Oct. 20.) | | | | |

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DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval, for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 18

Section 1

October 21, 1926.

CORN BELT PLANS NEW DRIVE

The Associated Press to-day reports from Des Moines: "A reorganized and strengthened force of farm-relief advocates, representing a greater diversity of interests than the group that battled unsuccessfully for a farm aid bill last winter, will descend upon Congress in December, with a program mapped out at the conference of the Grain Belt Federation of Farm Organization, which closed at Des Moines yesterday. Approximately twoscore farm organizations, with membership aggregating over a million, have enlisted in the movement and subscribed to a definite program embracing price stabilization through a surplus crop marketing agency, re-adjustment of freight rates, waterway development and extension of the producers' contract system of controlling markets. Another conference has been called for November 16 and 17, to be held at St. Louis. At this meeting leaders expect to complete an alliance of cotton growers with the wheat and corn growers, the live-stock and dairy interests and the commercial organizations that have indorsed the program. The grain-belt men have invited all Southern States to send representatives, expressing a desire to work with the South in obtaining legislation that would prevent a recurrence of the recent cotton-price slump. The American Cotton Growers' Exchange is one of the southern organizations with which the corn growers hope to unite forces...."

GRAIN MEN OPPOSE

The Associated Press to-day says: "Opposition to the equalization fee principle of the McNary-Haugen bill, defeated in the last Congress, was expressed to Secretary of Agriculture Jardine yesterday by a delegation representing the National Farmers' Grain Dealers' Association. The farmer should be permitted to work out his own relief through big cooperation associations, which should receive assistance in financing, the delegation said. The half-million farmers represented by the association, it was said, are in favor of direct marketing and are opposed to any relief legislation calling for the pooling of crops."

SOUTH-WIDE COTTON PLAN

A Memphis dispatch to the press of October 20 says: "Dr. Tait Butler, chairman of the executive committee of the South-wide cotton-relief program, said October 18 that his committee has abandoned any thought of trying to raise money to buy 4,000,000 bales of cotton to stabilize the price. The object of the organization, formed here last week, he said, 'is to feed the cotton into the market just fast enough to stabilize the market and get a fair price for our cotton.'...."

COTTON SURVEY BEGUN

The press to-day states that Eugene Meyer, chairman of President Coolidge's cotton commission, left yesterday to make a survey of the South with a view to aiding in the disposal of this year's record crop. Mr. Meyer was accompanied by C.W. Williams, chairman of the Farm Loan Board. They will go first to Raleigh, N.C., and the itinerary includes Columbia, S.C.; Atlanta and Birmingham. Other cities also will be visited, it was said.

[illegible][illegible]

"The first thing I noticed when I stepped out of the car was the cold, crisp air. It was a relief after the warm, humid weather of the South. I walked towards the building, my eyes taking in the grand architecture. The entrance was a large, arched doorway, flanked by tall columns. Inside, the room was vast and open, with a high ceiling and large windows that let in plenty of light. I felt a sense of awe and wonder, as if I had entered a new world. The people I met were friendly and welcoming, and I soon found myself at home in this new place. The journey had been long and tiring, but it was worth it. I had found a new home, and I was ready to start a new life."

[illegible]

Section 2

Agricultural Conference Called In line with its policy of paving the way for the consideration of the national agricultural problem by an analysis of local and regional conditions, the Chamber of Commerce of the United States today issued a call for a regional agricultural conference to be held at Indianapolis on November 15 and 16, under the joint auspices of the national chamber and the Indianapolis Chamber of Commerce. The territory to be covered by the conference comprises the States of Indiana, Illinois, Ohio and Michigan. The problem of agriculture from the viewpoint of these four States will be considered by farmers and other business men, representing production, distribution, transportation, banking, and Federal and State agencies. The first day will be devoted to discussion of production problems,--credit, taxes, availability and cost of labor, the possibilities and methods of reducing production costs. The more general questions of diversification, surpluses and legislation will be dealt with at the afternoon session. The second day will be given over to the consideration of marketing problems,--marketing credits, transportation and tariffs.

Cotton Financing

An editorial in The Journal of Commerce for October 20 says: "When friends of the McFadden bill reach the point of taking advantage of the morbid state of mind now existing in cotton producing areas of the South to urge the exceedingly doubtful plea that passage of that measure (presumably in any of its many forms) would accomplish great things for the stricken planter, the average man is apt to arrive at the conclusion that the situation from the point of view of such advocates has become a rather desperate one. When, in addition, it becomes necessary to single out a noteworthy example of the most serious weaknesses of the measure in question to build up a case, the stage has evidently been reached that ought to make the careful student of our financial legislation if not Quintilian, 'gasp and stare.' Yet this is what the Secretary of the Treasury in Washington has recently done in his statement to the public in connection with discussions that had been going on between the President's special cotton committee and representatives of the southern cotton cooperatives....It is not inconceivable that some good may be derived from the action of Secretary Mellon notwithstanding that his position in the matter is distinctly untenable. Heretofore the McFadden bill struggle has for the most part turned around branch banking questions despite the perfectly well known fact that other and vastly more important issues were very loosely and carelessly dealt with in the proposed law...."

Cotton Relief

An editorial in The Wall Street Journal for October 19 says: "That the advocates of the McNary-Haugen plan for farm relief intend to submit another measure to the next Congress is evident. Seizing upon the depression in cotton as a pretext, they claim that if the plan had been adopted at the last session of Congress the situation would have been adequately met. Besides showing a lack of understanding of the cotton situation, they overlook one vital defect in their plan. It is that an increase in the price of any commodity without a control of the production would ultimately defeat itself. One of the principal advocates of the measure is quoted as saying: 'If the McNary-Haugen bill had passed last spring there now would be in existence a Federal farm board with \$75,000,000 to take distress cotton off the market and carry it until there is need for it at prices that

would yield a profit to the grower.' A fund of \$75,000,000 for the control of the cotton situation recalls the story of the innocent old farmer who threw his crop of fifty bushels of potatoes on the market to break what he thought was an unwarranted advance in price. But it is not a question of raising money to take the surplus off the market. If it were private interests would easily raise half a billion for the purpose. But assuming that the Federal Farm Loan Board with its \$75,000,000 could do what its advocates claim--handle the present surplus so as to give the producer a fair price--what would be the result? The voice of experience tells us that it would show in next year's increase in acreage....Until McNary-Haugen advocates can devise some effective methods of controlling excessive production, price increases will always result in a further expansion of acreage and production. For this reason, if for no other, the plan carries within itself the certainty of permanent and costly failure following a merely temporary success."

Florida
Citrus
Crop

An editorial in The Florida Times-Union for October 16 says: "Revised estimates of the citrus fruit crop of Florida, made by United States Government experts since the storm, have reduced the first count by something like two million boxes, and the figures are now at about fifteen million boxes; nine million for oranges and six million for grapefruit. This crop will be far short of the demands, even if it comes up squarely to this latter figuring. The demand has grown, steadily in the past few years, and a crop as large as that now predicted was not big enough 'to go around' last year. This year it seems certain that there will be dealers and consumers disappointed because they can not get all they want of Florida's delicious grapefruit and oranges. It is too bad, but nothing can be done about it for a while. The pity of it is that things were coming along so well when the hurricane struck the lower East Coast and practically stripped the fruit from trees in many places...."

Living Cost

At the beginning of September the cost of living in Great Britain was 72% above that of July 1914, as compared with 70% in August and with 74% a year ago. For food alone the increase was 62% above the 1914 level, while a month ago it was 61% and in September 1925 it was 70% higher. According to advices just received by Bankers Trust Company of New York from its British information service the increase in the general cost of living index is due mainly to the seasonal rise in the price of eggs and milk, which was only partly counteracted by the decrease in the price of potatoes. The decrease in the food index as compared with a year ago is due to the decrease in the price of potatoes and a decrease in the price of butter.

Prices

Wholesale prices in September averaged slightly higher than in August, according to information collected in representative markets by the Bureau of Labor Statistics of the U. S. Department of Labor. The bureau's weighted index number, which includes 404 commodities or price series, registered 150.5 for September compared with 149.2 for the month before, an increase of nearly 1 per cent. Compared with September, 1925, however, with an index number of 159.7, there was a decrease of 5-3/4 per cent. Farm products in general were 2-1/3 per cent higher than in August, due mainly to advances in cattle, hogs, eggs, hides, and wool. Smaller increases also were recorded for foods,

The first part of the report deals with the general situation of the country. It is a very interesting and informative study of the country's development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's development.

The second part of the report deals with the economic situation of the country. It is a very interesting and informative study of the country's economic development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's economic development.

The third part of the report deals with the social situation of the country. It is a very interesting and informative study of the country's social development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's social development.

The fourth part of the report deals with the political situation of the country. It is a very interesting and informative study of the country's political development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country's political development.

clothing materials, fuels, metals, and building materials, while there was no change in the price level for chemicals and drugs. Housefurnishing goods and miscellaneous commodities, on the other hand, were lower than in August. Of the 404 commodities or price series for which comparable information for August and September was collected, increases were shown in 122 instances and decreases in 98 instances.

Rubber Shipments World rubber shipments for the year up to August 31, 1926, totaled approximately 390,604 tons, an increase of about 67,350 tons over the same period of 1925. Of the total 366,120 tons were plantation rubber and the balance wild and Brazilian rubber. The largest portion of the plantation rubber came from British Malaya--244,935 tons, with Java, Sumatra and Ceylon each supplying between 30,000 and 36,000 tons. According to advices just received by Bankers Trust Company of New York from its British information service, 394,856 tons of rubber were retained by various countries up to the end of August, 1926. The United States retained 260,987 tons, the United Kingdom 53,944 tons, France 24,174 tons and Germany 10,644. The balance was retained by Italy, Canada, Holland and Japan. In the period ended August 1925 the United States retained 249,256 tons, the United Kingdom 24,434 tons, Germany 26,972, and France 21,217 tons, with the balance of 6,118 tons divided between the other nations. At the end of August there were 72,100 tons of rubber afloat, compared with 62,400 tons at the end of August 1925, and with 44,300 tons at the end of August 1922. For the eight months' period of 1926 the United Kingdom consumed 28,520 tons of rubber. On August 31 there remained stock on hand amounting to 31,644 tons. For the year 1925 the United Kingdom consumed only 29,806 tons, and had a stock on hand amounting to 6,220 tons. In the United States the consumption at the end of August 1926 amounted to 243,523 tons, a reduction from 298,855 tons for the same period of 1925. Stock on hand on August 31, 1926 amounted to 60,870 tons, while at the end of August 1925 it was only 42,354.

Stock Market and Business An editorial in The Baltimore Sun for October 17 says: "The slump in the stock market is once more arousing discussion as to whether it is an accurate barometer of business conditions. The last time Wall Street had a sinking spell business declined to accept its warning; it went along as usual. Wall Street changed its point of view and decided it was time for another joy ride. It has been indulging in one, with the result that stocks again swung up to new highs. Recession has now come about. Precisely what this means in a business sense students of business conditions hesitate to predict; but railroad car loadings are still running ahead of the record, building construction is proceeding at a high rate, commodity prices are reasonably stable, foreign trade balances satisfactory and general business good. The present most unfavorable factor is the shrinkage in price of cotton and slight recession in some other agricultural products. Wall Street's guess as to the effects of the South's plight on general conditions may be correct, but in the past year or two it has not been a safe guide. There are enormous speculative commitments and enormous investment buying. Between the two it is easily possible to boost prices of stock higher than is justified by the return they pay even in the best of good times. When a large number of people reach this conclusion simultaneously nothing is more natural than a

shaking out of margined accounts, hesitation on the part of the public to buy, and readjustment, a development which may take place without significance as to underlying business conditions."

Section 3
MARKET QUOTATIONS

Farm Products Oct. 20: Chicago hog prices closed at \$14 for the top, bulk of sales \$11.60 to \$13.75; beef steers are slightly lower for better grades, while other grades show some strength. Heifers are steady but cows show price declines. Vealers are \$1 to \$1.25 lower and heavy calves unchanged. Stocker and feeder steers are slightly higher. Fat lambs, yearling wethers and feeding lambs are strong to higher, while fat ewes are practically steady at last week's prices.

Maine sacked Green Mountain potatoes closed at a range of \$2.75 to \$3 per 100 pounds in eastern cities and bulk stock sold at \$2.20 to \$2.25 f.o.b. Presque Isle. New York sacked Round Whites brought \$2.40 f.o.b. Rochester and \$2.60 to \$2.75 in city markets. New York and midwestern yellow varieties onions ranged \$1.50 to \$2 sacked per 100 pounds in consuming centers; \$1.35 to \$1.65 f.o.b. New York Elberta peaches sold at \$1 to \$1.50 per bushel basket in terminal markets. New York Wealthys apples \$3 to \$3.25 per barrel in New York City. Rhode Island Greenings \$2.75 to \$3 in the metropolis and \$2.75 f.o.b. Rochester. Virginia and West Virginia Yorks and Staymans \$2.50 to \$3. Michigan Jonathans \$4 to \$4.50 in Chicago.

Closing prices on 92 score butter: New York 47¢; Chicago 46 1/4¢; Philadelphia 48¢; Boston 46 1/2¢.

Grain prices quoted October 20: No.1 dark northern Minneapolis \$1.44 to \$1.53. No.2 red winter Chicago \$1.43; St.Louis \$1.43. No.2 hard winter Chicago \$1.45; Kansas City \$1.38 to \$1.42. No.2 yellow corn Chicago 78¢; Kansas City 77¢. No.3 yellow corn Chicago 77¢; St.Louis 76¢; Minneapolis 73¢. No.3 white oats Chicago 44¢; St.Louis 45¢; Minneapolis 41¢; Kansas City 44¢.

Average price of Middling spot cotton in 10 designated spot markets declined 16 points, closing at 12.16¢ per lb. December future contracts on the New York Cotton Exchange declined 17 points, closing at 12.55¢, and on the New Orleans Cotton Exchange they declined 14 points, closing at 12.55¢. October futures at New Orleans declined 9 points, closing at 12.47¢. (Prepared by Bu. of Agr. Econ.)

| Industrials and | Average closing price | Oct. 20, | Oct. 19, | Oct. 20, 1925 |
|-----------------|-----------------------|----------|----------|---------------|
| Railroads | 20 Industrials | 146.73 | 145.66 | 150.29 |
| | 20 R.R. stocks | 114.70 | 115.28 | 104.65 |

(Wall St. Jour., Oct. 21.)

DAILY DIGEST

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Vol. XXIII, No. 19

Section 1

October 22, 1926.

FEDERAL HELP ASKED FOR COTTON

An Associated Press dispatch to-day from Raleigh, N.C., says: "The executive committee of the North Carolina Bankers Association, after a meeting yesterday with Eugene Meyer, chairman of President Coolidge's cotton committee, adopted resolutions providing that the membership secure governmental financial aid through the intermediate credit banks with a view to relieving the present cotton situation. The committee asks that steps be taken to finance at least 25 per cent of this year's crop for a period of 20 months; that the association assist in the formation of a cotton finance corporation with \$1,000,000 capital to finance the farmers and enable them to store the surplus of the present crop and borrow sufficient funds on their cotton and that the cotton be stored in bonded warehouses to be used as collateral for loans. The North Carolina Cotton Growers Cooperative Association offered the bankers all its facilities for any project to retire 300,000 bales from the active market....Mr. Meyer will hold a similar meeting at Columbia, S.C., and from there he will go to Richmond, Va., for another meeting."

COTTON INDUSTRY COOPERATION

The New York Times to-day says: "Gerrish H. Milliken, president of Deering, Milliken & Co., factors in the cotton industry, has addressed a letter to Eugene Meyer, chairman of President Coolidge's special cotton committee, advising him that cotton manufacturers are anxious to do everything in their power to aid the profitable production of cotton in the South and promising the cooperation of the cotton manufacturers, cotton textile merchants and all who are engaged in the cotton textile industry. 'The ability of the cotton grower to obtain an adequate price for his product concerns the cotton manufacturer just as vitally as it does the farmer himself and any sound measures which benefit the grower must necessarily be helpful to those who manufacture and market cotton goods,' Mr. Milliken wrote....."

MELLON ON ANTI- TARIFF PLEAS

The press to-day says: "Secretary Mellon will make a formal declaration for the administration concerning the manifesto of bankers and industrialists, urging the lowering of tariff barriers abroad. Mr. Mellon's statement, it is understood, will place the administration in the attitude of standing firm for adherence by the United States to its present tariff policy. The determination of the administration to outline its position on the tariff in the light of the manifesto was reached at the White House at a conference of Secretary Mellon with President Coolidge. Mr. Mellon's discussion will be made public in the immediate future. It may take the form of a statement to the press or an address. The Secretary, it is believed, will not only make a formal exposition of the tariff policy but will also seek to dissociate the administration from any connection with groups of international bankers, engaged over the economic affairs of the world....."

Section 2

Cotton and
Business
Conditions

Theo. H. Price, in his weekly review in Commerce and Finance for October 20, says: "'Where do we go from here?' is the question that most American business men are now asking. The drop in the stock market and the severe decline in cotton has cooled the enthusiasm of the chronic optimists, and the idea that prices could go up uninterruptedly is not insisted upon as it was. But this is not to say that there is any widespread pessimism or any indication of a general contraction in business. That the purchasing power of the cotton States will be curtailed is manifest, and bankers and merchants in that part of the country will have to be conservative. But trade elsewhere is still good, and even if a general reaction impends it is unlikely that it will be felt until after Christmas....Of this possibility all that can be said is that the farmers of the South and West are now in a mood that may enable them to act together in demanding that the Government shall 'do something' to relieve their distress. Just what that 'something' ought to be no one seems to know, but the fact that a record cotton crop and the largest wheat crop in five years will bring less than it cost to produce them is one that has a sinister significance in a country that is still preponderantly agricultural....To say that our farmers should produce less is futile. The record of the past has shown that agriculture is like a second marriage in that it is a continuous triumph of hope over experience, and even if a law limiting the acreage planted were passed it would probably be disregarded by most of the 6,500,000 farmers to whom it would apply. To ask that the Government should buy up the surplus supply and 'dump' it abroad at the expense of the producers to whom the resulting loss would be passed back is manifestly impossible in the case of cotton, of which we export more than we consume....View it as we may, the problem seems almost unsolvable and correspondingly dangerous....It is, however, about the only unfavorable feature of major importance that is to be discerned in a situation that is otherwise placid. Cotton excepted, the commodity markets have been quiet. Coffee continues to slip down. If it had not been artificially supported for so long a reaction upward would be in order...."

Cotton and
Business
Trend

An editorial in The Wall Street Journal for October 21 says: "A healthy trend in general business conditions is shown by some indicators now becoming available. These inspire confidence, even if the adverse effects of the slump in the price of cotton and of unfavorable weather conditions in the agricultural sections of the Middle West and Northwest are given full consideration. Freight loadings continue at a record pace. For the week ended October 9, according to the American Railway Association, they totaled 1,184,862 cars, only 2,149 under the record high week of September 18, and only 662 cars less than the preceding week and 78,826 over the corresponding week a year ago. All weeks during the month of September and early October showed substantial increases over a year ago. Exports of merchandise for September were \$450,000,000, the highest on record in any month this year and the highest for any September during the past five years. Imports of \$345,000,000 are an increase of \$9,000,000 over the August figures....A reduced purchasing power in the South, growing out of the slump in cotton prices, is a cloud on the horizon. Banking and Government forces are at work, however, to cope with the situation. Figures of cotton consumption are gratifying. Lint cotton consumed amounted to 571,105 bales in the mills of the United States in September, against 500,652 in August and 483,082 in September, 1925."

Cotton Drop A London dispatch to the press of October 21 states that the Aids British recent drop of twopence a pound in the price of raw cotton has had Trade a favorable effect on the English cotton trade. The net result is that the spinners have increased their profit margin by a farthing a pound.

Cotton Grades The press of October 20 states that rules and regulations to govern the use of Government standard grades for linters will be drafted by the United States Linters' Standardization Committee at a meeting in Memphis October 27.

Egyptian A Cairo dispatch to the press of October 21 says: "In order to Government end the cotton crisis, the Egyptian Government October 20 announced Aids Cotton it was prepared to advance to the growers 4,000,000 Egyptian pounds (\$20,000,000 or more), which will be loaned through banks throughout the country. The banks will arrange for storage of the cotton against which loans are advanced. The growers will pay a moderate rate of interest. The plan will enable them to store their cotton and at the same time obtain funds with which to meet their obligations. The cotton will be held for disposal under more favorable conditions."

Hester on The promised supply of cotton is not too great to be handled in Cotton the regular trade channels, and is needed to meet the growing demands of Supply manufactured goods, Col. H.G.Hester, secretary of the New Orleans Cotton Exchange, declared in a statement issued last week, according to Commerce and Finance for October 20.

International A Paris dispatch to the press of October 21 says: "Abolition, or Tariffs at least reduction, of tariff barriers to trade was voted into consideration as a policy of the International Chamber of Commerce at a meeting of its council at Paris, October 20, when the council adopted a report by its acting president, Sir Alan Anderson, on economic conditions in Europe, in which he set forth that trade between nations being a sovereign agent to improve the lot of mankind, it does not deserve to be barred out as it is to-day...."

The New York Times of October 21 says: "Closer reading of the text of the manifesto by numerous bankers and industrialists as given the public at London developed a conviction among officials at Washington, October 20, that the plan is intended for Europe and not for America. President Coolidge October 19 indicated that if the plan were intended to effect the removal of American custom tariff rates, he would look upon it with disfavor. The manifesto, when more carefully read, is now construed in official circles here as not being applicable at all to the American tariff system...."

Neale on The Journal of Commerce for October 21 reports: "Confidence will Federal soon be restored throughout the cotton industry through plans now being Cotton projected by the President's special committee on cotton, according Program to William J. Neale, president of the American Cotton Shippers' Association, who returned to New York October 20 from the Washington conference on cotton, but, he added: 'It is absolutely vital to the South and country to launch an educational campaign among the planters for a greatly reduced acreage next year.' Mr. Neale is chairman of a delegation of nearly all the shippers, and which also included vice president Jay, of the New York Cotton Exchange, and representatives of the New Orleans Cotton Exchange and the Chicago Boards of Trade. The

delegation had an extended conference with Eugene Meyer, chairman of the President's special committee on cotton, and Secretaries Mellon, Jardine and Hoover, the other members of the original cotton committee. 'As a result of our conferences,' Mr. Neale said, 'our delegation feels assured that Mr. Meyer, Secretaries Mellon, Jardine and Hoover are keenly alive to the situation and it is our belief that a program will be evolved which will greatly alleviate the situation and restore confidence throughout the industry....'

Russian
Condi-
tions

An editorial in The Journal of Commerce for October 20 says: "Latest advices from Moscow make the announcement that 'Leon Trotsky and his followers, comprising the opposition to the central executive committee of the Communist party, have unconditionally capitulated,' although the correspondent of the Associated Press adds that it is 'feared the peace between the opposition and the majority will be only temporary.' Few Americans have followed the developments in the internal party warfare which has been in progress in Russia during recent months. The situation may, however, be summed up in a few words as a struggle of conservatism against radicalism. The latest episode involving so-called 'capitulation' of Trotzky and his followers would seem to be the triumph of the conservative element led by Stalin over the ultra 'Red' or purely Communist 'left wing' of irreconcilables. The announcement is of greatest interest to American business men because of the fact that many of them have within the past year or two been coming to the conclusion that affairs in Russia had reached a point where sales of goods might safely be made in the confidence that they would be paid for, and that the progress of Russia toward a more normal footing for industry and trade would be steady. Unquestionably this confidence would have been shaken had there been a return to figures or policies identified with the more extreme ideas of the Russian revolution...."

An editorial in The Philadelphia Ledger of October 20 says: "Changes in the political complexion of the Soviet Government of Russia plainly presage a bid for recognition by the United States. Of this there can no longer be reasonable doubt. Whether what has happened has been a real house-cleaning or mere window-dressing, the purpose is clear....American business has for some time been quietly urging recognition for Russia. Commerce with that country has increased considerably, but the absence of formal relations has been a drawback. This problem now seems in way of an early solution. It is taken for granted that Stalin is prepared to satisfy the United States with regard to the debts, the execution of future compacts, compensation for Americans injured by the revolution and the cessation of subversive propaganda. If this is possible and the American Government is convinced that the new order in Moscow is real and no camouflage, the period of Russia's isolation may soon come to a close."

Sugar Pro-
duction
in France

Sugar production in France during the year 1925-1926, according to advices received by the Bankers Trust Company of New York from its French information service, totaled 666,054,662 kilograms as against 739,823,811 kilograms in 1924-1925, showing a decrease of 73,769,149 kilograms. The results of tests made at the laboratory of the Central Committee of sugar manufacturers show that the total weight of sugar contained in the present year's crop may be estimated at 1,028,940 tons

as against 1,120,789 tons in 1925-1926, the difference being less than 8.2 per cent.

Section 3 MARKET QUOTATIONS

Farm Products Oct. 21: Maine sacked Green Mountain potatoes closed at \$2.85 to \$3 per 100 pounds in eastern cities; top of \$3.10 in New York; bulk stock \$2.30 to \$2.35 f.o.b. Presque Isle. Virginia yellow varieties of sweet potatoes ranged \$1.75 to \$2.75 per barrel. New York Danish type cabbage fairly steady at \$15 to \$25 bulk per ton in terminal markets; \$12 to \$13 f.o.b. New York Rhode Island Greenings \$2.75 to \$3 per barrel in New York City; \$2.75 to \$2.80 f.o.b. Rochester. New York and Michigan stock \$3.50 to \$3.75 in Chicago.

Chicago hog prices closed at \$13.85 for the top; bulk of sales \$11.60 to \$13.75; beef steers firm and slightly higher, heifers are weak to lower while the better grades of cows are higher and lower grades cheaper than a week ago. Vealers lost 25¢ to \$1.25 for the week while heavy calves are unchanged. Fat lambs are slightly higher for the better grades, yearlings are 25¢ up, fat ewes are steady and feeding lambs firm to slightly higher.

Grain prices quoted October 21: No.1 dark northern Minneapolis \$1.44 to \$1.52. No.2 red winter St.Louis \$1.43. No.3 yellow corn St.Louis 75¢; Minneapolis 73¢. No.3 white oats St.Louis 46¢; Minneapolis 41¢.

Closing prices on 92 score butter: New York 47¢; Chicago 46 1/4¢; Philadelphia 48¢; Boston 46 1/2¢.

Average price of Middling spot cotton in 10 designated spot markets declined 107 points during the week, closing at 11.89¢ per lb. December future contracts on the New York Cotton Exchange declined 117 points, closing at 12.27¢, and on the New Orleans Cotton Exchange they declined 123 points, closing at 12.27¢. October futures at New Orleans declined 121 points, closing at 12.19¢. (Prepared by Bu. of Agr. Econ.)

| Industrials and | Average closing price | Oct. 21 | Oct. 20, | Oct. 21, 1925 |
|-----------------|-----------------------|---------|----------|---------------|
| Railroads | 20 Industrials | 149.38 | 146.73 | 151.61 |
| | 20 R.R. stocks | 116.95 | 114.70 | 104.75 |

(Wall St. Jour., Oct. 22.)

DAILY DIGEST

Prepared in the United States Department of Agriculture for the purpose of presenting all shades of opinion as reflected in the press on matters affecting agriculture, particularly in its economic aspects. Responsibility, approval or disapproval for views and opinions quoted is expressly disclaimed. The intent is to reflect accurately the news of importance.

Vol. XXIII, No. 20

Section 1

October 23, 1926.

COTTON RELIEF

PLAN IN SOUTH CAROLINA

An Associated Press dispatch to-day from Columbia, S.C., says: "Initial steps were taken at Columbia yesterday for the formation of a \$1,000,000 loan corporation to assist in retiring 300,000 bales of South Carolina's 1926 cotton crop from the market for twenty months or more as a measure to meet the situation produced by the bumper crop and resulting low prices. Plans for the organization were framed at a conference attended by Eugene Meyer, chairman of President Coolidge's cotton committee; A. C. Williams, Federal Farm Loan Commissioner, and thirty-five bankers and businessmen of the State. By a resolution adopted, details of organizing the proposed corporation were placed in the hands of the executive committee of the State Bankers Association.

"The resolution stated reduction of acreage in 1927 is a necessary factor in any scheme for stabilizing the price, and all bankers, business men and farmers were urged to lend their efforts toward cutting the acreage at least 25 per cent. ...Mr. Meyer issued a statement saying the Federal intermediate credit banks were prepared to advance as much as \$200,000,000 to meet the cotton price situation and cautioning farmers and others not to get 'panicky' over reported prospects for a big Government crop report next Monday. His statement also emphasized need for adequate machinery in the Cotton Belt to make possible operation of the Federal Intermediate Credit Bank system....."

NEGROES REFUSE

TO PICK SHARE COTTON CROPS

The Daily Digest received yesterday from Fenner and Beane, New Orleans, the following telegram: "Many cotton planters are reporting that negro tenant farmers are refusing to pick any more of their own cotton crop raised on shares which pays them no profit at present prices and are moving off the plantations in search of work which will pay them a daily wage in cash."

HOOVER ON

EUROPEAN

TARIFFS

A Chicago dispatch to the press to-day says: "If the twenty-three nations of Europe would imitate America's forty-eight States in establishing free flow of trade among themselves, and if Europe as a whole would then establish her trade relations with the rest of the world as has America, the purpose of the recent international manifesto advocating removal of trade barriers would be practically accomplished. Herbert Hoover, Secretary of Commerce, said yesterday. The manifesto can not be directed with any logic at the United States, said Mr. Hoover, because in the five years since enactment of our present tariff American imports from Europe have increased 54 per cent, while our exports to Europe have increased but 13 per cent....."

FARM LOAN INTEREST

A St. Louis dispatch to the press to-day states that a reduction in interest rate for farm loans from $5\frac{1}{2}$ to 5 per cent, effective Nov. 1, was announced last night by the St. Louis Federal Land Bank, which operates in Illinois, Missouri and Arkansas.

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Section 2

Barnes on
Internation-
al
Tariffs

Referring to the declaration from Europe October 20 expressing the opinion of leading business and financial authorities of the world as to the necessity of eliminating or reducing some of the present barriers to world trade, Julius H. Barnes, vice president for the United States of the International Chamber of Commerce, October 20 issued the following statement through the American section of the international chamber here: "European recovery and restored employment has been retarded by prohibitive tariff barriers erected particularly at the new frontiers of Europe. It is as if Minnesota iron ore was barred from Pittsburgh mills by insurmountable tariffs or as if Kansas wheat could not flow freely to New York mills. The declaration that barriers should be framed not to obstruct needlessly the flow of international trade has no political coloring whatever. World opinion has generally accepted the declaration of American business men that a proper protective tariff for America preserves the higher wage scales and higher living standards of America until other peoples will advance to that same level. The world is clearly stabilizing. International trade is growing. Higher ocean freights reflect this increasing volume....The International Chamber of Commerce with business organization membership of forty countries has for months, through a central committee and national sub-committees, been studying the question of trade barriers which stand in the way of full European recovery."

Cotton Pros-
pects

An editorial in The Wall Street Journal for October 22 says: "Gloom thick as a London fog hangs over the cotton market, with the December contract at around 12.55 and the possibility of a lower level still to be reached. There is no need to minimize the seriousness of the situation, but on the other hand it need not be exaggerated after the present tendency. An unbiased analysis of the facts will show that ultimately cotton must and will sell at a higher price than at present. First, let us see the picture at its worst. We began the season with a carryover, in the United States and Europe, of 5,362,000 bales of American grown lint and linters. It is probable that we have produced 17,000,000 bales of lint this year. To this should be added a million bales of linters. Assuming that every bit of this cotton will be picked, which is not probable, the total supply of American-grown cotton in the United States and Europe is 23,362,000 bales, against 19,984,000 last year. This is pessimism's limit....With a carryover next year of perhaps 7,000,000 bales, what would be the outlook? In 1921, the world carryover was 9,364,000 bales, and yet that cotton has been consumed. Next year we should produce between 13,000,000 and 14,000,000 bales, but is there any assurance that we will do it? The enormous crop of this year was due to excessive acreage and a large yield per acre. A very low price automatically reduced production the next year. Added to that is the determination of southern bankers to force farmers to reduce their acreage. The yield per acre this year was 16 per cent larger than the average of the past five years. We have no assurance of an unusual yield next year. We can only count with safety on the average. Taking into consideration the probable reduction of acreage, and the average yield, a 14,000,000-bale crop will not be produced or sold on a low-price level."

Cotton Situation

The Literary Digest for October 23 presents a resume of press opinion on the cotton situation. In part this says: "Damage to the buying power of the South, equal to the effects of 'ten Florida hurricanes,' will be the result of our record-breaking cotton crop, unless some way is found to lift the market price above the cost of production. This startling statement is made by Mark Sullivan in a Washington dispatch to the New York Herald Tribune, discussing the effects of the Department of Agriculture's early October cotton report, which estimates the 1926 crop at 16,627,000 bales. After the publication of this report the price of cotton dropped to 13 cents a pound, whereas the cost of production, which varies in different localities, is estimated at from 16 cents to 18 cents a pound. As the cotton bales weigh about 500 pounds, this would mean a loss of from \$15 to \$25 on every bale marketed, or a loss of from \$250,000,000 to \$400,000,000 on the whole crop. Some authorities put the figure even higher. Thus John S. Wannamaker, president of the American Cotton Association, says that 'the loss to cotton-growers, based on cost of production at present prices, is fully \$50 a bale, or \$800,000,000.' Mr. Wannamaker, in a statement published in The Manufacturers Record, of Baltimore, goes on to say: 'Not only the economic life of the South, but the entire nation, will pay a fearful penalty, because the balance of trade against the United States will be heavy unless these conditions, due to the debacle in the price of cotton, are speedily relieved. The damage already done is fearful. Great Britain and other foreign nations are buying our cotton below the cost of production, for future years for use as a market depressant.' The bottom has dropt out of the price, explains the Baltimore Sun, because 'two bumper cotton crops in succession have supplied too great an excess over world consumption.' As a result, says the Richmond Times-Dispatch, the South is losing 'millions of dollars a day.' 'No matter what steps bankers, merchants, brokers, public officials, and other take in these Southern States to check the downward trend of cotton prices, this section of the country will again be forced to take an enormous loss on account of what has happened to the cotton market,' declares the Mobile Register. But the problem is more than a sectional one, many papers remind us. 'The price of cotton is the most arresting item in the business world to-day,' says the Birmingham Age-Herald...."

Section 3Department of
Agriculture

An editorial in Farm and Ranch for October 16 says: "When the South planted in excess of 46,000,000 acres to cotton it was tempting fate, or bidding for low prices. Such an enormous acreage could mean nothing else but overproduction under normal conditions. When Texas farmers planted nearly 19,000,000 acres to cotton, it was a foregone conclusion that good growing and picking weather would so over-load the market that profitable prices could not be maintained even though all other States planted only the usual acreage. Favorable weather proved to be the rule and now we are harvesting one of the greatest crops ever produced in Texas and selling it at less than cost of production. There should have been nothing of a startling nature in the Government crop report. The report showed a larger estimated yield than many would like to have believed, but it was a case of the wish being father to the thought. Those who have seen the fields of white

stretching out for almost endless miles are fully aware that the crop is large--even larger than was expected, and about all the Government did was to publish a fact that most people were already familiar with.... Farm and Ranch, however, does not join in the demand that all Government cotton crop reports be discontinued. It believes that the system of reporting should be improved and much of the unnecessary information volunteered should be dispensed with. To abandon the official report would be to play into the hands of the speculator. Naturally he uses the Government report to the best advantage, but he would much prefer publishing his own report without having a Government report to check against him. The Government report, whether accurate or not, acts as a check against private reports and forces speculators who issue them to hold to somewhere near the truth. Without this check, private reports would be issued and producers have no protection at all. Farmers and those who pose as their friends should consider the fact that speculators have for years been trying to secure a discontinuance of the cotton report issued by the Government. They want to get rid of it so that they can have a free hand in telling as little of the truth concerning the crop as will suit their own plans."

Section 4 MARKET QUOTATIONS

Farm Products Oct. 22: Chicago hog prices closed at \$13.65 for the top, bulk of sales \$11.60 to \$13.50; better grades of beef steers are weak and somewhat lower while poorer grades show some strength at slightly higher prices. Heifers are weak to lower, the better grades of cows are higher but lower grades are slightly down. Vealers are 50¢ to \$1.50 below prices prevailing a week ago, heavy calves are unchanged and stocker and feeder steers are about steady with a firmer undertone.

Wisconsin sacked Round White potatoes \$2.35 to \$2.60 per 100 pounds on the Chicago carlot markets; \$2.10 to \$2.30 f.o.b. Waupaca. Maine sacked Green Mountains \$3 to \$3.15 in eastern cities; bulk stock \$2.50 to \$2.55 f.o.b. Presque Island. New York yellow varieties of onions \$1.75 to \$2 sacked per 100 pounds in eastern consuming centers; \$1.50 to \$1.65 f.o.b. Rochester. New York Danish type cabbage about steady at \$15 to \$25 bulk per ton in distributing centers; \$13 f.o.b. Rochester. New York Rhode Island Greening apples \$2.75 to \$3 per barrel in New York City \$2.75 to \$2.90 f.o.b.

Closing prices on 92 score butter: New York 47¢; Chicago 47¢; Philadelphia 48¢; Boston 46 1/2¢.

Grain prices quoted October 22: No.2 red winter St.Louis \$1.43. No.2 hard winter Chicago \$1.45. No.2 yellow corn Chicago 78¢. No.3 yellow corn Chicago 77¢; St.Louis 76¢. No.3 white oats Chicago 44¢; St. Louis 46¢.

Average price of Middling spot cotton in 10 designated spot markets advanced 3 points, closing at 11.92¢ per lb. December future contracts on the New York Cotton Exchange advanced 7 points, closing at 12.35¢ and on the New Orleans Cotton Exchange they advanced 8 points, closing at 12.35¢. October futures at New Orleans advanced 5 points, closing at 12.33¢. (Prepared by Bu. of Agr. Econ.)

| Industrials and
Railroads | Average closing price | Oct. 22, | Oct. 21, | Oct. 22, 1925 |
|------------------------------|-----------------------|----------|----------|---------------|
| | 20 Industrials | 148.51 | 149.38 | 152.13 |
| | 20 R.R. stocks | 116.36 | 116.95 | 104.78 |

(Wall St. Jour., Oct. 23.)

